

The complaint

Mr U complains about the service he has received from SJP. He says that he was entitled to ask for an increase of the sum assured on his term assurance policy, but SJP only eventually completed this after he had raised a complaint. He also complains that every year his sum assured dropped again despite this change, and he has had to remind SJP of the change in order for him to pay the correct premium and have the appropriate protection. Furthermore, Mr U asked SJP to increase the sum assured again in 2022, but he has received no reply or confirmation that this has been done.

What happened

SJP looked into Mr U's complaint and agreed that it hadn't acted correctly. It explained what had happened in relation to Mr U's first request to increase the sum assured, and explained that the issue had now been fixed. It offered Mr U £300 for the trouble and upset these matters had caused him.

One of our investigators looked into Mr U's complaint, and thought that this offer was fair. He acknowledged that SJP's service had not been up to the standard Mr U was entitled to expected, but he considered that matters had now been put right and the offer of £300 was fair and reasonable compensation for the issues Mr U experienced.

Mr U didn't agree. In short, he thought that £1,000 compensation would better address the trouble that this matter had put him through, particularly the constant chasing to ensure SJP actioned his original request to increase the sum assured. Furthermore, Mr U noted that SJP had still not dealt with his second request to increase the sum assured – and his most recent statement showed that this hadn't happened.

As agreement couldn't be reached, the case was passed to me to decide. In the meantime, the investigator reached out to SJP a number of times to inquire about Mr U's second request to increase the sum assured, but he received no reply.

I issued a provisional decision in July 2023 upholding Mr U's complaint, and increasing the compensation. I said:

It's clear to me that SJP has acknowledged its service to Mr U was poor, and as a result it has offered to pay him some compensation. However, when the investigator originally endorsed SJP's offer, it was on the understanding that all the issues Mr U had complained about had been resolved – but it's obvious they have not. Mr U is still waiting to have confirmation from SJP that his second request to have the sum assured raised has been acted upon. And this service has been unable to receive a response about this from SJP. In the circumstances, I don't agree that £300 is fair and reasonable. In my view, this matter has caused Mr U unnecessary inconvenience over a significant period of time – and the fact that this concerns the level of protection afforded to him for his mortgage means that the matter is not trivial. It is something important which, if not done promptly and correctly, could have significant financial implications.

Mr U is SJP's client and he is entitled to be treated fairly and for SJP to ensure that his best interests are properly taken into account when it is acting on his instructions.

It's clear to me that by not acting on Mr U's request to increase the sum assured of his policy it has failed to do this. And this failure is compounded by the previous failures to ensure that Mr U's policy was properly administered and updated. I acknowledge the explanations SJP has provided for why those errors occurred, and I accept that it has now put things right. But those actions do not take away the inconvenience that was caused to Mr U at the time.

In the circumstances, I've therefore decided to increase the compensation SJP must pay to Mr U to £500, with a direction that it respond to Mr U's request for an increase to the sum assured. If SJP does not respond to this provisional decision, I will make this direction in my final decision and request that SJP respond to Mr U within 28 days of when we tell it that SJP has accepted my final decision.

I acknowledge that the £500 I've awarded is still far short of the sum Mr U considered appropriate compensation for the service he has experienced. However, when increasing the award I've taken into account the length of time Mr U has been experiencing these issues with SJP, as well as the continued failure to respond to his most recent request to raise the sum assured. I've also taken into account the obvious upset and inconvenience this has caused him, both in terms of having to chase SJP when the incorrect premiums were taken, as well as having to chase SJP now for a response. However, I've also had to take into account the fact that SJP did act when he complained and addressed the issue on its system so that it shouldn't happen again – and whilst I've no doubt the matter has caused Mr U distress and inconvenience, I'm satisfied it has affected his day to day life or had a permanent or detrimental impact on his overall financial circumstances.

Therefore, taking all this into account, as well as our guidance on awards for distress and inconvenience, I'm satisfied £500 is fair and reasonable.

SJP did not reply to my provisional decision. Mr U replied, and said that he didn't think any of his complaints had been handled correctly by SJP. He said that SJP eventually corrected the issue with the sum assured dropping every year, but didn't deal with the issue of how that increase in the sum assured was reported. He acknowledged my finding that his latest increase had still not been acted on by SJP. He also queried SJP's consistent use of the term 'concession' when referring to his request to increase the sum – but Mr U said that this wasn't a 'concession', it was part of the policy he had taken out and something he was entitled to. He queried whether there were other clients affected by this.

Finally Mr U said he wasn't sure he'd ever placed a sum on the impact he had suffered – he emphasised his primary reason for complaining was to get SJP to adhere to the terms of the policy he had. He said that he had disappointingly found this very hard to achieve despite this service's involvement.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've considered Mr U's comments, but I see no reason to depart from my provisional conclusions.

I acknowledge Mr U's comments about SJP's failure to adhere to the terms of his policy. I acknowledged some of those failures in my provisional decision – but it is clear that there are limits to the powers I have to actually compel a business to act in a particular way. In this case what I've sought to do is identify areas that are key and that remain outstanding. As far as I can see, these are:

- The unresolved impact that the matter has caused him from the start; and
- The failure to respond to his latest request to increase the sum assured.

Whilst I understand why the use of certain terms is confusing or unacceptable to Mr U, I don't agree those issues are key. SJP has said that it refers to 'concession' where the transaction is granted outside of regular procedure. I'm not sure that's relevant or that material to the issues Mr U is experiencing. And I'm not able to consider the impact or potential impact on other clients of SJP.

In terms of the unresolved impact, Mr U made reference in an email to the investigator, to wanting SJP to offer 'compensation closer to £1,000', and this is the figure I understood to be what Mr U thought was fair and reasonable. For that reason I thought it important to explain why I was awarding less than that. I remain of the view that £500 is fair and reasonable compensation for the impact SJP's actions and inactions have had on Mr U for the reasons I gave in my provisional decision. I therefore confirm them here as final.

Mr U, as he has rightly pointed out, also has a request to increase his sum assured which SJP has not responded to. The terms of Mr U's contract say clearly that, at his request, SJP 'will increase the Sum Assured'. The contract sets some limits and terms around this option, but it is clear to me that Mr U is entitled to request the sum assured to be increased and SJP is obliged to consider such request and apply the terms of Mr U's contract fairly. I'm satisfied it has failed to do this on his most recent request. I acknowledge Mr U's dissatisfaction with the fact that this issue remains outstanding but, as explained above, there are limits to my ability to compel a business to do something when it has failed to respond – as is the case here. As I explained in my provisional decision, the investigator has repeatedly asked SJP for an update on this issue and it has not responded.

Putting things right

As a result, in order to bring some finality to this particular complaint, I've decided to:

- Award Mr U £500 for the distress and inconvenience this matter has caused him. This award only compensates Mr U for the impact up to the date of my final decision. Should SJP not comply with my direction below, Mr U will be entitled to raise a new complaint.
- Direct SJP to consider Mr U's request to increase the sum assured and apply the terms of his policy to that request. It needs to provide its response to Mr U, along with any relevant paperwork, within 28 days of when we tell it Mr U has accepted this final decision.

My final decision

My final decision is that I uphold Mr U's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U and Mrs U to accept or reject my decision before 15 September 2023.

Alessandro Pulzone
Ombudsman