

## **The complaint**

Mr H is unhappy with the service he's received from Aviva Life & Pensions UK Limited.

## **What happened**

Mr H has a life insurance policy with Aviva. He's unhappy with letters Aviva sent about his direct debit payments. In summary, Mr H says the correspondence said that he didn't need to make a payment in January 2023, but Aviva still tried to collect the premium. This is an issue he's had before, and Aviva has waived the January premium previously.

In their final response letter, dated February 2023, Aviva agreed the letter needed to be updated and said they'd feedback to the relevant team. They also accepted some failings had been made in the overall service Mr H had received. However, they said the premiums were always due monthly. They acknowledged they'd waived a premium on one occasion but highlighted the relevant sections of the policy terms and schedule. They paid Mr H £200 compensation. Unhappy, Mr H complained to the Financial Ombudsman Service.

Our investigator looked into what happened and recommended the compensation should be increased to a total of £300 and cover any financial losses Mr H had incurred, such as bank charges. He thought the letter was incorrect and had inconvenienced Mr H because he'd planned his finances on the basis of that information. However, he thought the premium was due and shouldn't be waived.

Aviva clarified that Mr H had cancelled the direct debit, so no payment had been actually taken from Mr H's account in January 2023. Mr H didn't agree with the investigator's recommendation and asked an ombudsman to review the complaint. In summary, he said that he should be able to rely on the written communications and that they formed part of the contract. He was also unhappy that this was a mistake which had happened previously and said Aviva should waive the premiums for the other years when the same mistake had been made. Mr H confirmed that Aviva had cancelled the plan, despite him asking them not to whilst the Financial Ombudsman Service investigated the complaint. Our investigator let Mr H know that anything that has happened since Aviva issued their final response letter would need to be referred to them as a new complaint. The complaint was passed to me to make a decision.

## **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'm partly upholding Mr H's complaint but I think a total of £300 compensation fairly reflects the distress and inconvenience caused. I say that because:

- I think the policy terms and conditions, and the schedule, make it clear that premiums are due every month. I think Mr H was aware of that, or ought reasonably to have been aware that, premiums were due every month.

- Aviva accepts that some of the correspondence wasn't clear and has provided feedback to the relevant department about updating the letter. I think that's a reasonable and appropriate response in the circumstances of this case. I'd expect Aviva to apply any learning from Mr H's experience, but I can't direct them to change their overall processes.
- I think £300 compensation fairly reflects the impact this confusion, worry and upset caused to Mr H, including the overall service he received. In reaching this conclusion I've considered everything Mr H has said about his disability and overall circumstances.
- Aviva queried whether Mr H had experienced any financial losses because the payment wasn't made. However, if Mr H can evidence that he did incur any bank charges because of this specific transaction Aviva should cover them because I'm satisfied the confusion impacted on how he planned his finances.
- Aviva chose to waive the premium on one occasion following a similar incident. I don't think that means it is fair and reasonable for them to have to do so again or that they should reimburse previous payments. It doesn't amount to an acceptance that the premium wasn't due or create a precedent to do this on an ongoing basis. This was an administrative issue, so I think Mr H still needs to pay for the cover he's receiving from Aviva. I don't think it's fair and reasonable to conclude he should effectively receive some free cover from Aviva each year due to this issue.
- I can only consider the issues which arose prior to Aviva issuing their final response letter. Mr H will need to complain to Aviva about any further issues in relation to the cancellation or reinstatement of the policy, including his concerns about the amount of premiums due.

### **Putting things right**

I'm upholding Mr H's complaint and direct Aviva to pay him a total of £300 compensation (inclusive of the £200 he's already been paid). If Mr H can provide evidence that he incurred any bank charges or fees in relation to this specific transaction Aviva should pay those costs too. But I don't think they need to do anything further to put things right.

### **My final decision**

I'm partly upholding Mr H's complaint about Aviva Life & Pensions UK Limited and direct them to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 December 2023.

Anna Wilshaw  
**Ombudsman**