

The complaint

Mr C complains about information relating to a whole of life policy he holds with Aviva Life & Pensions UK Limited which he says is misleading.

What happened

Mr C complained to Aviva after receiving a premium increase notification for his policy. He said the policy documentation was misleading and disingenuous about how the premiums would increase over time.

Aviva didn't uphold the complaint saying the policy was doing what it was designed to do in relation to the annual increases. As a gesture of goodwill Aviva paid Mr C £100 for the time taken in bringing his concerns to them.

Mr C remained unhappy and brought his complaint to our service where one of our Investigators looked into what happened. They thought the documentation wasn't misleading and that Aviva were administering the policy correctly.

After considering further information from Mr C an agreement couldn't be reached so the matter has come to me for 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.

Mr C has provided a lot of information about the complaint and it's clear to me how strongly he feels about what happened. I want to assure Mr C that I've read and considered everything that has been provided even if I don't mention it all in detail. I've summarised some of what happened which reflects the informal nature of our service and no offense is intended.

The crux of this complaint is around the wording of the index linked increase part of the policy documentation which says:

Your cover amount will automatically go up every year, in line with the rate of the Retail Prices Index (RPI) increase, up to a maximum of 10%. Your premiums will also go up. They'll go up by no more than 2.0 times the percentage increase in the cover amount.

Aviva have said that for Mr C the increase will always be a factor of 2.0 due to the type of policy he has.

Mr C says the wording is misleading because of the phrase *by no more than* when for his policy the increase will always be a factor of 2.0.

Aviva say the policy is working correctly as a factor of 2.0 has been applied as set out in the documentation. They also say that other types of policies with index linked options are covered under the same documentation, and some of those have a lower factor. So this is

why the phrase *by no more* than is used.

This complaint isn't about the sale of the policy and nor about any suitability issues as the policy was sold to Mr C by a third party. This complaint is about how the policy is being administered.

The policy documentation says that an increase in premiums of up to 2.0 will be applied. And that's what happened. So I'm satisfied the policy is working as it should.

Mr C says the policy documentation is misleading as the wording gives the wrong impression. And he goes on to say that he wouldn't have bought the policy had the wording been clearer about the level of increase. Any concerns about how the product was explained should be addressed to the business who sold Mr C the policy.

Having looked at the documentation I don't think the policy wording is misleading. It explains that a factor of up to 2.0 will be applied. And that's the case for all policies covered by the documentation. Increases haven't been applied outside what was explained.

I know Mr C thinks the wording should've been clearer, and I've read all of his submissions about why he feels that way. He says that the documentation suggests a worse case scenario when there are no other scenarios as the increase will always be double the RPI. And for Mr C's policy that might be the case, however the documentation explains this. So I'm not persuaded the documentation is misleading. It explains what might happen, and Aviva have administered the policy in this way.

Having carefully considered everything that happened I'm satisfied Aviva acted fairly and reasonably when administering the policy so won't be asking them to take any further action.

My final decision

For the reasons I've explained above, my decision is that I do not uphold this complaint.

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

Warren Wilson

Ombudsman