

## **The complaint**

Mr L has complained that The Co-operative Bank Plc (trading as Britannia) has cancelled his mortgage payment protection insurance (PPI) policy that covered him for accident, sickness and unemployment.

## **What happened**

The Co-op wrote to Mr L informing him that the policy would be cancelled in May 2023. Our adjudicator didn't uphold the complaint because The Co-op had made a business decision to withdraw this policy and had provided Mr L with sufficient notice of the cancellation, in line with the policy terms and conditions.

Mr L disagrees with the adjudicator's opinion and so the complaint has been passed 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.

The Co-op stopped selling this policy in 2012 and so it was only held by existing customers who had taken it out before then and who had continued to renew it on an annual basis. The Co-op has now taken the decision to withdraw this product altogether.

The Co-op is entitled to take a view on whether it wishes to continue to offer certain products and this service would not normally involve itself in the commercial decisions of a business in deciding to offer or withdraw particular products. I'm only looking at whether The Co-op has acted fairly and reasonably in the way that it has undertaken the cancellation.

Under the terms of the policy, it states that The Co-op must give 90 days' advance notice of the termination of the policy. Based on the available evidence, I'm satisfied that it did this.

The cancellation is particularly problematic for Mr L because he made a claim on the policy in 2018 for a medical condition that would now be classed as pre-existing and therefore most likely not covered under any new policy that he might buy.

Mr L was able to go back to work after treatment in 2018. However, the condition is incurable and, given its nature, Mr L has an expectation that he will need to make a claim for it again before the end of his mortgage term.

He says that, after his claim ended in 2018, he rang The Co-op to confirm that he would be covered if he had to make another claim. He says he was assured that he would be. He says that, if the possibility of the policy being withdrawn had been made clear to him, he would have cancelled the PPI himself and saved the premium payments to cover any future time off work.

I think it's probable that the call handler did tell Mr L not to worry about making a further claim. That was an honest answer at the time. They wouldn't have known that the business would take a decision five years later to stop providing the policy.

I wouldn't expect the call handler to have drawn Mr L's attention to the clause in the policy about possible termination of the policy. As our adjudicator has said, this is a very common clause that most insurance policies contain.

I've thought carefully about what Mr L has said. But I'm not persuaded that he would have cancelled the policy if he had been told about the clause. Because, in weighing up the likelihood of the PPI being cancelled against the possible benefit he might receive if he were to fall ill again, I find it more likely than not that he would have elected to keep the PPI. It would be inaccurate to say that the policy did not continue to meet his needs at that point because of a standard term about The Co-op's rights to withdraw the policy. Mr L has had the PPI for a further five years since his last claim and could have claimed again during that time had he needed to. As he had active cover, he would not be entitled to a refund of premiums.

I understand Mr L's anxiety about wanting to protect his family from missed mortgage payments at a time when he is unable to work and have a great deal of sympathy for his situation. But The Co-op hasn't singled Mr L out. It has cancelled the policies of all the remaining policyholders, in accordance with the terms and conditions. I appreciate the impact for Mr L will potentially be greater than for others. However, as it has applied the withdrawal across all of its customers, I'm unable to conclude that it has treated Mr L unfairly.

### **My final decision**

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 September 2023.

Carole Clark  
**Ombudsman**