

The complaint

Mrs W has complained that The Royal London Mutual Insurance Society Limited ('Royal London') failed to update her about changes to her policy.

What happened

Mrs W bought a protection policy many years ago which included a sum assured of £60,000 payable on death if within the plan term. The plan term was 30 years. The policy also included a conversion option.

In 2023, Mrs W contacted Royal London about the conversion option but she was told it had been removed in 2012. She complained that she hadn't been informed about this in 2012 and if she had been, she could have considered her options. She has also said she hadn't been contacted for 15 years about anything relating to the administration of the policy.

Royal London responded to Mrs W's complaint and sent her a cheque for £500. It apologised for not informing Mrs W of the removal of the conversion option but didn't think Mrs W had suffered any financial detriment.

Unhappy, Mrs W referred her complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint and found that the offer made by Royal London was fair.

Mrs W disagreed and in summary, said she had been paying into a policy which didn't offer the same benefits as when she first took it out. She thinks she should receive a higher amount of compensation.

And so the case has been passed to me for a final 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

- I have carefully considered everything Mrs W has said, in detail. But my decision will focus on what I consider to be key.
- Mrs W says if she had been informed in 2012 that the conversion option had been removed, she could have considered her options. She may have continued paying the premiums for the cover, she may have sourced another policy with life cover or she may have opened a savings account. She cannot say for certain what she would have done but she did clearly lose the opportunity to consider her options at the time.
- For failing to inform Mrs W of the removal of the conversion option, Royal London

apologised and sent Mrs W a cheque for £500.

- Royal London also said Mrs W didn't suffer a financial detriment. It said that as there was no investment element to the policy, it wasn't required to issue annual statements. Mrs W had the option of contacting Royal London if she had any questions about the policy.
- I've thought carefully about whether Mrs W has suffered any detriment as a result of Royal London's failure to inform her of the removal of the conversion option. Based on everything Mrs W has said, I agree that she lost the opportunity to make a decision about her policy in 2012. I can't say for certain for what she would have done and so I think an award of compensation for loss of opportunity is the most appropriate remedy. I don't think there is a clear financial loss as Mrs W may have continued with the policy in any event. And ultimately, this was a life assurance policy where the purpose was to provide a benefit on death. So I don't think the conversion option was a key factor.
- Mrs W has said that she may have been able to find a cheaper policy at the time and she was paying for a benefit which had been sold but was no longer available. I haven't seen any evidence that the conversion option increased the premium or that she was paying an additional, specific sum for the inclusion of this option. The premium paid was for the sum assured and a term of 30 years.
- I accept Mrs W would have been disappointed and shocked that the conversion option was removed in 2012. But I am not satisfied that this has caused Mrs W any direct financial loss and so I think £500 compensation for loss of opportunity is fair and reasonable in all the circumstances of this complaint.

My final decision

For the reasons set out above, I think the £500 offered by Royal London is reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 4 January 2024.

Shamaila Hussain
Ombudsman