DRN-4401249

The complaint

Miss S has complained that Aviva Life & Pensions UK Limited didn't settle her critical illness claim in full.

What happened

The background to this matter is not in dispute. Miss S took out decreasing term life insurance with critical illness benefit in 2015. In 2016 she took out additional cover under the Moving House section of her original policy. She was diagnosed with ductal carcinoma in situ in 2017. Miss S claimed under the additional critical illness section of her policies in 2022, she hadn't realised she was covered earlier. Aviva settled the claims by paying 20% of the cover values in line with the policy terms.

Miss S believes the terms are unclear and that the settlement is unfair.

Our investigator didn't recommend that the complaint was upheld. Miss S appealed. In summary she said she had no reason to believe that she would receive less than the full value of her policy. She feels the '20% clause' was in a place that made no logical sense and was intentionally misleading as it is easily missed. Miss S would like the paper booklets should be read in paper copy.

As no agreement has been reached the matter has been passed to me to determine.

I have referred to 'policy' rather than 'policies' as the wording is the same.

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.

Firstly, I'm aware I've summarised the background to this complaint. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I've fully reviewed the complete file. Having done so I agree with the conclusion reached by the investigator for the following reasons:

- The policy defines what is covered under the Critical Illness section 4. Miss S's condition wasn't covered under *Cancer – excluding less advanced cases.* Additionally a specific exclusion was in place – *all cancers which are histologically classified as any of the following: …cancer in situ*. Several conditions are covered under section 4, but each condition is under its own heading, so the section is easy to follow. The Critical Illness section is followed by the Additional Critical Illness Benefit section 4A. Again, the section does cover other conditions, but each is under its own heading and the section is easy to read and in plain English. Aviva met the claim under this section.

- I've carefully considered Miss S's representations about the policy wording, but I'm satisfied that it wasn't misleading. Miss S also feels the policy was unclear, and intentionally so, I don't agree. I haven't seen the paper copy, as we operate on a paperless basis. But I am able to see the exact order of the pages, so I have taken Miss S's arguments about the wording of the policy on board. I do appreciate her point that she wouldn't have been able to recall what the original documents contained. That's understandable, but it doesn't mean that the policy was unclear – only that she would have needed to remind herself of the terms at the appropriate time.

- I recognise that my decision will be very disappointing for Miss S and I'm sorry that it doesn't bring her more welcome news. But I can't say that the policy documents were unclear or misleading. Aviva has backdated her claim and paid the benefit due with interest. In all the circumstances I don't find it has done anything wrong.

My final decision

My final decision is that I don't uphold this complaint.

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

Lindsey Woloski
Ombudsman