

The complaint

Miss B and Mr M complain that Aviva Life & Pensions UK Limited (Aviva) failed to contact them, despite having been asked to do so. As a result, they say they were unable to amend their decreasing term assurance policy to the level of cover they required.

To put matters right they want Aviva to refund the premiums they paid from October 2020, to the date they cancelled the policy in August 2022.

What happened

Miss B and Mr M held a decreasing term assurance policy with Aviva. I understand that the policy was taken out in connection with a repayment mortgage. In October and November 2020 Miss B and Mr M tried to speak to Aviva as they were moving home and wanted to amend the level of cover. Miss B and Mr M say they couldn't reach Aviva by phone.

In early January 2021, they emailed Aviva to notify it of their change of address and asked it to contact them about amending the level of cover provided by their term assurance policy. For whatever reason Aviva failed to contact Miss B and Mr M about amending the level of cover, but it did contact them about their change of address.

In August 2022 Miss B and Mr M complained to Aviva. They said it had failed to contact them to discuss amending the level of cover they held. They said they wanted Aviva to refund the premiums they had paid from October 2020, when they had first tried to contact Aviva by phone to discuss their requirements.

Aviva apologised for its poor service and paid Miss B and Mr M £50 for the trouble and upset it had caused. But it said it wasn't willing to back date the cancellation date of the policy to October 2020 and refund the premiums they had paid.

Miss B and Mr M were not satisfied with Aviva's response and referred their complaint to this service.

Our investigator said he didn't think Aviva needed to refund the premiums paid from October 2020. He said that although the sum assured was less than Miss B and Mr M required to cover their new mortgage, it had provided some cover in the event of a claim. He said he was of the view that it was Miss B and Mr M's responsibility to ensure they had sufficient cover in place to meet their needs.

Miss B and Mr M were not satisfied with our investigator's view. Miss B said she had tried to contact Aviva by both telephone and email but 'gave up' when it didn't respond to her email in early January 2021. She also said that as the level of cover had not been amended there was a 'substantial difference' in the level of cover needed to repay their new mortgage and the level of cover provided by their Aviva policy.

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 am sympathetic to Miss B and Mr M's position, but I can't reasonably require Aviva to refund the premiums they have paid since October 2020. I'll explain why.

It is not in dispute that the service Miss B and Mr M received from Aviva was unsatisfactory. What is in dispute is whether Aviva should refund the premiums Miss B and Mr M paid from October 2020, to the date they cancelled their policy in August 2022.

I have not been provided with anything that shows or suggests that Miss B or Mr M tried to contact Aviva about amending the level of cover after their email to Aviva in early January 2021. If they were unhappy with the level of life cover they had in place, as it did not cover the outstanding balance on their new mortgage, it is not clear to me why they didn't try to contact Aviva again.

Likewise, if they were unhappy with the level of service Aviva was providing Miss B and Mr M were free to have cancelled their policy with Aviva much sooner than they did – and arrange cover with another provider.

I appreciate Miss B's point that the level of cover provided by the Aviva policy was insufficient to repay their new mortgage. But I can't reasonably require Aviva to refund the premiums Miss B and Mr M paid, as they continued to benefit from the cover provided by their policy with Aviva while they maintained the premium.

I do understand that this is not the decision Miss B and Mr M were hoping for, but I cannot reasonably require Aviva to refund the premiums they paid between October 2020 and August 2022, when the policy was cancelled. I think the £50 it has paid them for its poor customer service is fair and reasonable in the circumstances of this complaint.

My final decision

My decision is that, for the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B and Mr M to accept or reject my decision before 21 August 2023.

Suzannah Stuart
Ombudsman