

The complaint

Mr H complains that his income protection policy has been cancelled and he has been unable to find a replacement policy.

What happened

Mr H held an income protection policy underwritten by Monument Life Insurance DAC ("Monument"). The policy was designed to provide Mr H with a fixed monthly benefit for a period of up to 12 months, in the event that he was unable to work due to accident or sickness.

On 11 May 2023, Monument wrote to Mr H. It said it was withdrawing its income protection policies. It said the last premium payment would be taken on 28 June 2023 and Mr H's cover would end on 30 June 2023.

The policy terms and conditions state the following about cancellation by the underwriter:

"We can cancel your insurance by giving you 30 days' notice in writing. This does not affect your rights in respect of a claim arising prior to the cancellation date of your Policy."

Mr H said he's tried to find a replacement policy, but he has pre-existing health conditions, and the new policies he's looked at will not cover these. And he complained to Monument.

Monument said it had made the decision to withdraw the product after careful consideration, and said the terms allowed it to do so.

Unhappy with the response, Mr H brought his complaint to this service. He said he has been left in a bad situation where he has no cover if he is unable to work due to his pre-existing medical conditions. He said he'd thought the policy would give him security for the future. And he said his medical conditions had been exacerbated by the stress of being unable to obtain replacement cover.

An investigator here looked into what had happened. They said they didn't think Monument had done anything wrong.

Monument made no comment on the investigator's view. However, Mr H disagreed and asked for a decision from an ombudsman. In summary he said he thought it was unfair that Monument could stop offering the policy at short notice, as he now has no cover for his bills if he is too unwell to work.

And so, the case has been passed to me to decide.

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.

And I've looked at the relevant rules and industry guidelines, which say Monument has a responsibility to communicate in a way which is clear fair and not misleading. And must act honestly and fairly.

Having reviewed this complaint, I don't think Monument has done anything wrong. And I'll explain why.

The policy terms allow Monument to cancel the cover and say it must provide 30 days' notice. And I'm satisfied that Monument gave adequate notice by writing to Mr H on 11 May 2023, before his cover was cancelled on 30 June 2023.

I'm sorry to hear of the impact the cancellation of the policy has had on Mr H's mental health. I understand he has been unable to obtain a like for like policy elsewhere, as he has developed medical conditions since taking out his original policy. I appreciate Mr H would have preferred to have continued with his accident and sickness cover as he expected when he took it out. However, we cannot interfere with a commercial decision taken by a business to no longer offer an insurance product. And as I've stated above, the policy terms provide the insurer with the right to cancel.

Whilst I appreciate my decision will come as a disappointment to Mr H, I think Monument made a legitimate commercial decision that it no longer wanted to offer this particular policy. This decision was applied across all policyholders and Mr H was given notice of it in line with the requirements of the terms and conditions. I appreciate Mr H now finds himself without cover for his pre-existing medical conditions, but I can't reasonably conclude that Monument acted unfairly.

My final decision

For the reasons I've given, it's my final decision that I do not uphold this complaint. And I make no award against Monument Life Insurance DAC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 October 2023.

Gemma Warner
Ombudsman