DRN-4126737

The complaint

Mrs W complains that Aviva Life & Pensions UK Limited declined a claim she made on her joint life insurance policy. She's also unhappy her policy was cancelled immediately, leaving her without protection.

Mrs W's policy was held in trust, so the complaint is brought jointly by the trustees. But for ease of understanding, I'll refer just to Mrs W throughout.

What happened

To summarise, in December 2021, Mr and Mrs W took out a joint decreasing term life insurance policy with Aviva, to protect their mortgage.

Very sadly, in July 2022, Mr W took his own life. Mrs W made a claim on the policy, but the claim was declined and policy cancelled, due to an exclusion relating to self-harm.

Mrs W complained. Aviva reviewed its decision but maintained its position. So Mrs W came to the Financial Ombudsman Service. An investigator looked into things for her, but didn't uphold her complaint. She was satisfied Aviva was reasonably entitled to decline the claim based on the policy exclusion. And she pointed to evidence that Mrs W had been told about her policy being cancelled, shortly after Aviva was contacted about the claim.

Mrs W remained unhappy, so her complaint has come to me for a final decision. I'm aware Mrs W has raised some questions relating to the sale of the policy. But these are not for the insurer - Aviva - to answer, as the policy was sold through a broker. So to clarify, the scope of my decision is limited to Aviva's decline of Mrs W's claim and cancellation of the 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.

Firstly, I was very sorry to hear about the circumstances which led Mrs W to make an insurance claim and I offer my sincere condolences to her and Mr W's family.

Having considered everything carefully, I'm not upholding this complaint. I appreciate this will be extremely unwelcome news for Mrs W. I'll explain my reasons, focusing on the points and evidence I consider material to my decision. So, if I don't refer to a particular point or piece of evidence, it's not because I haven't thought about it. Rather, I don't consider it changes the outcome of the complaint.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. My role is to decide whether Aviva dealt

with Mrs W's claim in line with the policy terms and its usual processes. I can only say it should do something different if I don't think that's the case.

Aviva has relied on the following policy term:

> *'We won't pay [the death benefit] if the life covered dies because of suicide or intentional self-inflicted injury within 12 months of the policy start date. If this happens, the policy will end.'*

Prior to taking out their joint policy, Mr and Mrs W both held individual policies with Aviva. Mrs W says she believed their individual policies had been merged into a joint policy when they remortgaged in late 2021. So critically, Mrs W says Mr W's single life policy continued into their joint one. The significance of this is that the 12 months exclusion period on Mr W's single policy would no longer have applied when Mr W died.

Aviva has said there's no option to convert single life policies to a joint one. And having looked at the policy terms, I've not found anything to suggest otherwise. There are a number of change options for different types of policy and benefit, but from what I've seen, none that applied to Mr and Mrs W in the way Mrs W believed.

After the sale, Aviva sent Mr W policy documents. Mr W was asked to read the personal details confirmation document, along with the policy schedule, and to check all the information was correct. The cover letter and schedule confirm the new policy number and show both Mr W and Mrs W as policy holders. The new start date, amount covered and premium payable are also listed. I think the documentation from Aviva was clear and it was open to Mr W to question this if he had any concerns. So overall, I think Aviva was entitled to rely on the policy exclusion to refuse Mrs W's claim and cancel the policy.

I'm aware Mrs W is also unhappy because the policy cancellation left her without cover. From what I understand, Mrs W's financial advisor spoke to Aviva early on about the claim and was told about the policy exclusion. I think it was right for Aviva to explain this from the outset. A letter to the advisor, dated 1 August 2022, suggests she (the advisor) was told on 14 July 2022 that the policy would be cancelled, although I accept this is not the same as Mrs W being told directly. Aviva has acknowledged it didn't communicate directly with Mrs W until 1 August 2022, the day Mrs W took out replacement cover.

I appreciate Mrs W was distressed to learn her policy had been cancelled and she was without protection. This was unfortunate. But, as I've explained above I think the decision by Aviva which left her in that position was fair.

In order to say Aviva should do more to resolve Mrs W's complaint, I'd need to be satisfied not only that Aviva did something wrong, but that this had a negative impact on Mrs W. I've considered this very carefully, but I don't think I can reasonably say that here.

Mrs W's complaint is that 'for a few weeks' she was without cover. I can see she took prompt steps to address the situation. So, whilst I acknowledge this caused Mrs W to take corrective action at an exceptionally difficult time, I don't think that distress existed long enough for me to say Aviva should do anything more to acknowledge this.

Once again, I'm sorry to have to write in terms that will be very disappointing for Mrs W. But in the circumstances I don't think Aviva has treated her unfairly in relation to her claim.

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 the trustees bringing this complaint to accept or reject my decision before 30 August 2023.

Jo Chilvers
Ombudsman