

## **The complaint**

Mr K and Mrs G complain about the sale of a life and critical illness term assurance policy by Aviva Life & Pensions UK Limited, as they're unhappy with the term of the policy.

## **What happened**

On 1 June 2014 Mrs G applied for a life and critical illness policy, to cover both herself and Mr K, online via Tesco Bank's website. Tesco was partnered with Aviva, and so the policy itself was provided by Aviva. The policy began on 2 June 2014, with a sum assured of £150,000, a five-year term and premiums of just over £50 per month.

The policy finished in June 2019 and at that time, no letters were sent by either Tesco or Aviva to remind Mr K and Mrs G that their cover came to an end. Unfortunately, Mrs G was diagnosed with cancer in November 2019. She got in touch with Aviva to claim on the critical illness cover, and discovered the policy had come to an end. She initially made a complaint about the fact Aviva hadn't sent her a letter to remind her that the policy was ending (which, for clarity, is not the subject of this decision) and following that, raised concerns about the sale of the policy.

Mrs G said she's unhappy with the term of the policy – she'd taken it out to cover her mortgage, which had a longer term of 25 years, so that's the term she would have put on the application. She didn't remember receiving anything from Aviva after the application and feels that a policy of just five years should never have been sold to someone her age.

Aviva didn't reply to the complaint, so Mr K and Mrs G referred it to our service. Aviva told us the policy was taken out without advice, so it was Mr K and Mrs G's responsibility to ensure it was what they wanted. An investigator at our service looked into the complaint and didn't uphold it – he said that it wasn't Aviva's fault that the term of the policy was only five years, as the sale was completed without any advice from Aviva. Mrs G didn't agree and so asked for the complaint to be referred to an ombudsman for a 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've reached the same conclusion as the investigator, for largely the same reasons.

Before I detail my reasons, I want to say how sorry I am to hear of the situation Mrs G is in – it's clearly been a very difficult time. For clarity, in this decision I'm focusing on the sale of the policy, not what happened in 2019 – that is the subject of a separate decision.

Though it's a Tesco branded policy and the application would have been carried out on Tesco's website, I've seen screenshots of what the web pages would have said, and they state that "*References to 'we', 'us' or 'our' mean Aviva Life & Pensions UK Limited*". Aviva has not denied responsibility for the sale, when asked directly. Aviva was also responsible

for sending Mr K and Mrs G the policy documents after the sale and were the underwriters of the insurance. So, I'm satisfied that Aviva are the responsible party for the complaint about the sale of this policy.

Both Mrs G and Aviva agree that the policy was taken out online and that Mrs G didn't speak to anyone at Aviva or Tesco, prior to the policy going into force. So, the sale was on a non-advised basis. Whether a sale involves advice or not is important because it shows who is responsible for ensuring the policy chosen is the right one for the customer's needs and objectives. Here, it was Mr K and Mrs G's responsibility to understand the product they were applying for and to choose the policy they thought was best. Aviva's responsibility is to make sure they set out the information in the application form and the policy documents in a clear, fair and not misleading way.

Having considered a sample application form from the time, and the policy documents Aviva sent to Mr K and Mrs G, I think the term of the policy was clear. In the application form the length of cover was chosen from a drop-down menu. Prior to payment and agreement to the terms, there is a confirmation screen, which I'm satisfied clearly set out the term chosen. That term was again clearly set out in the policy documents sent by Aviva in the post afterwards.

I understand Mrs G says she didn't receive the policy documents from Aviva after she applied. I've seen a copy of what was sent, and it was correctly addressed. I note that Mrs G has told our service she remembers Mr K placing a call shortly after the policy began to either Tesco or Aviva. She's said this was after the cooling off period, and it was to discuss the term of the policy. Mr K remembers being told that there would be a reminder letter sent at the end of the term and so they could wait until then to take out a new policy, which is why they left the policy in place. So, I think it's likely Mr K and Mrs G did receive the policy documents from Aviva, as otherwise they wouldn't have known to make that call.

Mrs G has said she doesn't think a five-year policy would have been suitable for anyone her age at the time of the application. Though I appreciate it does seem unusual, there are many purposes for term assurance policies – they aren't just used to cover mortgages, but also shorter loans. Given it was a non-advised sale, I don't consider it to be Aviva's responsibility to question the term of the policy being taken out. I've considered Mrs G's comments that in her experience, other providers have called them after applying for a policy online, to confirm the details. However, that level of service is at the firm's discretion, so I can't say it was unfair of Aviva to have not called Mr K and Mrs G once they'd applied for the policy.

Overall, the information Aviva supplied was clear, fair and not misleading, and they properly implemented the instructions they received. So, I'm satisfied that Aviva treated Mr K and Mrs G fairly and reasonably during the sale of this policy.

### **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 Mrs G and Mr K to accept or reject my decision before 4 October 2023.

Katie Haywood  
**Ombudsman**