

## **The complaint**

Mr J is unhappy that Cavendish Online Limited didn't give him relevant information – including about the premium – when selling him an income protection insurance policy.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

When selling insurance policies, Cavendish has certain regulatory obligations. In advised sales, it should ensure that the policy is suitable for its customer's needs. And whether the sale is advised or not, Cavendish still has to provide its customers with clear, fair and not misleading information about the main terms of the policy.

I know Mr J will be disappointed but for the reasons set out below, I don't uphold his complaint.

- Around 16 February 2022 the insurance provider for the policy (who I'll refer to as 'C') sent directly to Mr J the terms on which it would offer him the policy. That included policy exclusions. C notified Cavendish that the offer had been sent but due to the sensitive nature of the exclusions, it was told that the terms had been sent directly to Mr J.
- I'm satisfied the offer set out the monthly premium for the policy, which included a 5% discount for a mental health exclusion.
- From Cavendish's contact notes, I'm satisfied that it promptly contacted Mr J to discuss the offer and the exclusions. And that Mr J said he'd consider the offer and get back to Cavendish's representative.
- C notified Cavendish in June 2022 that the Mr J's application for the policy was out of date and was being filed as not proceeding. From reading the correspondence between Cavendish and C up to and including June 2022, I'm persuaded on the balance of probabilities that C had told Cavendish that the offer was open for acceptance for six months – until August 2022, and not four months. So, whilst I accept that Mr J would've thought he had longer to accept the offer of the policy than he did, I don't think I can reasonably hold Cavendish responsible for this.
- And when Cavendish (I'm satisfied, promptly) informed C of its mistake, C agreed to extend acceptance of the offer until the end of June 2022. Mr J accepted the terms of the offer before that deadline. So, he didn't miss out on the offer.
- Mr J had a level premium which means the policy was priced based on his age at entry to the policy. The premium then remains the same throughout the insurance

contract. The offer of the policy was made around a week before Mr J's next birthday. As a result, the monthly premium increased by several pounds when he was a year older.

- I can understand why Mr J was upset at finding this out only shortly before he accepted the policy terms. However, even if I was persuaded that Cavendish ought to have told Mr J about this when he received C's offer in February 2022, there was only around a week for Mr J to have accepted the offer before his next birthday.
- I don't know for sure what Mr J would've done had he known that the premium was likely to increase a week after the offer. However, on the balance of probabilities, I'm not persuaded that he would've gone ahead and accepted the offer within such a short timeframe.
- That's because from communications around the time, I'm satisfied he wanted to consider the policy documents and exclusions. And in May 2022, before the offer was due to expire, Cavendish contacted Mr J to ask whether he was still thinking about the offer. Mr J replied that he was and if the policy wasn't so expensive, he "would've made a decision by now". He asks if Cavendish "comes across anything else" to let him know. So, on the balance of probabilities, I don't think Mr J would've been in a rush to accept the offer before his birthday in February 2022, even if he was made aware that the premium was likely to be several pounds more once his age increased.
- I'm therefore satisfied that any error on behalf of Cavendish didn't have any impact of Mr J as it's most likely he would've always had to pay the premium he ended up paying because it increased from the amount set out in the C's offer on his birthday in February 2022.

Mr J is also unhappy that Cavendish didn't provide a substantive respond to his complaint. A financial business has eight weeks to respond to a complaint, failing which an eligible complainant can refer the complaint to the Financial Ombudsman Service. That's what Mr J did here when he didn't receive a substantive response.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 December 2023.

David Curtis-Johnson  
**Ombudsman**