An tOmbudsman Seirbhísí Airgeadais agus Pinsean
Financial Services and Pensions Ombudsman

Decision Ref:	2019-0010
Sector:	Insurance
Product / Service:	Mortgage Protection
Conduct(s) complained of:	Lapse/cancellation of policy Delayed or inadequate communication
Outcome:	Rejected

LEGALLY BINDING DECISION
OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

Background

The Complainant and her late husband, Mr A, incepted a joint life insurance policy with the Company on 1 February 2007. The Company cancelled this policy in April 2012 with effect from 1 March 2012 due to the non-payment of premium from that date. Mr A sadly died in October 2012.

The Complainant's Case

The Complainant and her late husband, Mr A incepted a joint life insurance policy with the Company on 1 February 2007. Mr A later died in October 2012. It was not until the solicitors acting on behalf of the Estate of her late husband contacted the Company in January 2013, that the Complainant first learnt that the Company had cancelled this policy in April 2012 with effect from 1 March 2012 due to the non-payment of premium from that date.

In this regard, the Complainant sets out her complaint as follows:

> *"My complaint is that* [the Company] *failed to provide a satisfactory service with regards to a life policy my husband and I held in 2012.*
>
> 1. *My complaint is that my husband…took his own life in October 2012 due to financial difficulties and was unable to pay life policy and mortgage, all payments via direct debit from my husband's accounts with* [his bank]*. Unfortunately I was*

unaware that the life policy was unpaid from March 2012, my husband did not inform me due to immense pressure he was under, the company he worked for was in liquidation.

2. [The Company] *did not inform me personally that the policy was not being paid. I should have been notified due to the importance of the policy being in place.*

3. *The situation has caused me and my children enormous stress and I am under immense pressure from the mortgage provider …*

I feel [the Company] *did not inform me about the policy and should honour the policy. My children have lost their father under tragic circumstances, they do not need to lose their home as well"*.

In its correspondence dated 21 February 2017, the Complainant's Representative submits, as follows:

"In essence, [the Complainant] *and this Firm firmly consider that* [the Company] *prematurely and unduly cancelled the Life Policy due to two missed premium payments in March 2012 and April 2012.* [The Company] *made only minimal efforts to contact* [the Complainant] *in circumstances where* [the Complainant] *was one of the lives assured under the Life Policy and in circumstances whereby* [the Complainant's] *late husband,* [Mr A]*, remitted the Life Policy premium payments directly.*

[The Complainant's] *late husband died tragically in October 2012 and when* [named solicitors] *(acting for and on behalf of the Estate of* [Mr A] *Deceased) contacted* [the Company] *in writing on 17 January 2013 in relation to the Life Policy,* [the Company] *responded to advise…that the Life Policy had lapsed in April 2012, some six months before* [the Complainant's] *late husband passed away.*

The Life Policy was precipitously cancelled with outstanding premium payments due of circa €86.82. [The Complainant] *was at no time whatsoever aware that 2 Life Policy premium payments had not been collected nor was* [the Complainant] *contacted directly on an individual basis in relation to the two missed premium payments in March 2012 and April 2012.* [The Complainant] *was afforded no opportunity to discharge those minimal arrears as* [she] *was not at any point in time until 21 January 2013 aware that the Life Policy has been cancelled …*

It was, in my view, unconscionable that no meaningful effort was made by [the Company] *in March 2012 and April 2012 to notify* <u>*both*</u> [Mr A] <u>*and*</u> [the Complainant] *on an individual basis to advise both of them of the seriousness of the matter.*

It is again in my view unconscionable that no claim was ever accepted by [the Company] *in relation to the Life Policy when* [named solicitors] *contacted* [the Company] *in January 2013 in circumstances whereby the premium had been paid in full between 1 February 2007 and 18 April 2012 and where no material efforts were*

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made by [the Company] *to contact* *both* [Mr A] *and* [the Complainant] *on an individual basis.*

[The Complainant] *never had sight of any of the correspondence that was sent by* [the Company]*, which letters were addressed to* *both* *Mr. A and Mrs. A jointly. It goes without saying that if* [the Complainant] *had been aware of the situation at that time and given the opportunity to make good any arrears,* [the Complainant] *would certainly have done so.*

Unfortunately, and to [the Complainant's] *serious detriment, all but minimal efforts were made by* [the Company] *in March 2012 to fully advise* [the Complainant] *of the missed Life Policy premium payment, there being but one single letter dated 08 March 2012 whereby* [the Company] *advised "at the moment we don't need you to send us this payment". This letter was only first seen by* [the Complainant] *on foot of documentation furnished by* [the Company] *as a result of a data information request that we made to* [the Company] *in January 2016.*

It would appear evident to me that not enough was done by [the Company] *to advise* [the Complainant] *of the two unpaid premiums and further very clear that* [the Company] *should have written to* [the Complainant] *separately on an individual basis rather than issuing letters sent to the joint names of Mr. A and Mrs. A "*.

In further correspondence dated 1 June 2017, the Complainant's Representative also submits, as follows:

"The Life Policy was a joint policy and the Application Form required individual entries to be completed. [The Company] *owed and owes an equal duty of care to both of the lives assured, being individual customers of* [the Company]*. The joint nature of the Life Policy did and does not entitle* [the Company] *to avoid that separate, distinct and individual duty of care that it owes and owed to both parties whose lives were assured.*

I say that where such separate information is taken by [the Company]*, there is a legitimate expectation that each party would be contacted on the occurrence of a significant event relation to the Life Policy. The missed premium payment was a significant event and* [the Company] *had the necessary information and means to make good faith efforts to contact* [the Complainant] *and* [Mr A] *on an individual basis.*

Why else were separate contact details requested by and required by [the Company] *at the inception of the Life Policy unless* [the Company] *was at some point during the term of the Life Policy under a duty to use those separate contact details.*

I say that when the Life Policy was in danger of lapsing due to two missed premia payments, then [the Company] *was at that point under a contractual duty to utilise the separate contact details to make contact with* [the Complainant] *and* [Mr A] *on a distinct and on an individual basis.*

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At no point was any effort made to contact [the Complainant] *individually, being one of the two lives assured under the Life Policy and all communications from* [the Company] *were sent to "Mr. A and Mrs. A" …*

I personally have two [Company] *Life policies and receive telephone calls and texts from* [the Company] *in relation to my own policies …*

Thereby, any argument that [the Company] *only contacts customers by written correspondence is not correct …*

The bank account used for the payment of the Direct Debit was in the name of [Mr A] *only and up until March 2012, no premia payments were missed from the inception of the Life Policy …*

The mere fact that a premium payment was missed did not entitle [the Company] *to cancel the Life Policy. There are alternative methods of payment and the setting up of the Direct Debit at the inception of the Life Policy was at the behest of* [the Company] *…*

When the second missed premium payment occurred in April 2012, I ask why then did [the Company] *not contact* [the Complainant] *directly to seek payment by alternative means and afford* [the Complainant]*, being one of the lives assured an opportunity to pay the arrears.* [The Complainant] *was owed an equal duty of care by* [the Company] *as an individual life assured and as a separate and distinct customer of* [the Company] *…*

I consider that [the Company] *relied unduly on the cancellation of the Direct Debit on foot of the* [bank] *correspondence and 9 (nine) days after receipt of that* [bank] *correspondence, the Life Policy was cancelled and in my view, precipitously so.*

I say that this was unreasonable, unfair and premature and such action by [the Company] *does not, in my view, meet with its duties and obligations under the Life Policy nor does it meet the standard of due skill, care and diligence required of it under the provisions of the Consumer Protection Code 2012"*.

In this regard, the Complainant seeks for the Company to reinstate her and her late husband's joint life insurance policy and to accept a claim in respect of his death, which she considers to be in the amount of *"approximately €36,600"*.

The Complainant's complaint is that the Company wrongly or unfairly cancelled the Complainant and her late husband's joint life insurance policy.

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The Provider's Case

Company records indicate that the Complainant and her late husband, Mr A incepted a life insurance policy with the Company on 1 February 2007, which was set up on a joint life basis, in both their names. The Company at that time sent Mr A and the Complainant their policy welcome pack containing their policy schedule and terms and conditions, which provided information as to, among other things, what would happen if premium payments ceased.

The monthly premium of €43.31 (inclusive of the 1% government levy) was presented to the bank account designated by Mr A and the Complainant on 1 March 2012. This payment was returned by the bank unpaid on 7 March 2012. As a result, the Company wrote to Mr A and the Complainant on 8 March 2012 as the joint lives covered to advise that the bank has returned the payment as unpaid due to 'insufficient funds in the account'. The Complainant's Representative has highlighted that the Company stated in this letter, *"At the moment we don't need you to send us this payment"*. This statement is included because when a payment is missed on a customer's policy, the Company tries again to collect the payment due as soon as possible so that arrears do not accrue. Therefore, whilst the Company stated that Mr A and the Complainant did not need to send this payment (at that time), this was due to the direct debit being presented again to the designated bank account on 12 March 2012 to try and collect the amount due. In addition, the Company states that it is satisfied that it was clear in this letter that the payment was required to be paid in order to keep the plan in place, that is, *"However, these payments will need to be collected to make sure your plan stays in force"*.

The Company sent a further letter addressed to Mr A and the Complainant on 17 March 2012 to again advise that the payment had not been collected and confirmed that *"At the moment we don't need you to send us this payment"* as the Company would again present to the designated bank account for this payment on 1 April 2012. The Company is again satisfied that it was made clear in this letter that the payment due was required to be paid in order to keep the plan in place, that is, *"However, these payments will need to be collected to make sure your plan stays in force"*. The Company again presented to the designated bank account on 1 April 2012 for the March and April premium due, in total €86.82. This request for payment was also returned as unpaid with the reason cited as 'insufficient funds in the account'.

The Company received a notice from the designated bank on 12 April 2012 to advise that the direct debit for the premium for the Complainant and her late husband's policy had been cancelled on its system. However, in order to collect the outstanding payments for March and April 2012, the Company had a direct debit already in process to the bank account, to present on 13 April 2012 and this was subsequently returned unpaid by the bank with the reason cited as 'Authority Cancelled'.

Following the notice received from the bank to advise that the direct debit had been cancelled, the Company wrote to Mr A and the Complainant on 20 April 2012 to make them aware of how this would impact their plan, advising *"We have recently been informed by your bank that your direct debit which provides payments for your plan has been cancelled.*

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As a result there are now no payments being received for your plan". The Company also enclosed a direct debit mandate, should Mr A and the Complainant have wanted to provide a different bank account for the premiums to be collected from or to have the payments reactivated on their plan, if they did not want the policy cancelled.

As the payment that was presented on 13 April 2012 was returned unpaid by the bank with the reason 'Authority Cancelled', the Company sent further correspondence to Mr A and the Complainant on 21 April 2012, as follows:

> *"We previously wrote to you to tell you that your* [policy] *is paid to 1 March 2012 and that we have not received payment since that date.*
>
> *As this has not changed your plan has now gone out of force and your benefits have been cancelled. To restore your benefits, please send us the amount due of €86.82 in the prepaid envelope provided, together with the payment slip from the bottom of this letter"*.

Alternatively the outstanding payment could also have been made using a laser or credit card by contacting the Company by telephone. This letter also advised that there were a range of options available to help maintain the plan, including reducing the premium, and advising the Complainant and her late husband that they should contact their financial advisor so they would be fully informed before taking any further action and to contact the Company's Customer Services if they needed assistance. In addition, the Company issued a copy of this letter to Mr A and the Complainant's independent financial advisors. Furthermore, the Company advised the bank to which the policy had been assigned that Mr A and the Complainant's policy was now out of force, as it was relying on this mortgage protection as security against a loan with that institution.

The Company has no record of Mr A or the Complainant contacting it after it had sent the letters to advise that payments were not being made to the policy and that the plan had subsequently gone out of force until the solicitors acting on behalf of the Estate of her late husband notified the Company on 21 January 2013 of the death of Mr A, providing an Interim Death Certificate and a request for the relevant forms to initiate a claim. The Company replied to the solicitors that day to advise that as the plan went out of force in April 2012 due to the non-payment of premiums, there was no in-force plan from which a death claim could be made.

The Company notes that the Complainant submits that it made minimal efforts to make her aware of the payments not being made on the policy. The Company states that its letters dated 8 March 2012, 17 March 2012, 20 April 2012 and 21 April 2012 were addressed to both Mr A and the Complainant as the plan was set up on a joint life basis and were sent to the address on record. These letters were not returned as undelivered by An Post, as would be the normal process when post cannot be delivered to the intended recipients. Therefore it was reasonable for the Company to assume that the letters had been received and thus that the Complainant and her late husband were aware of the risk associated with not paying the premium and that this non-payment would result in the policy being cancelled.

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The Complainant submits that when the Company stated in its letters to Mr A and the Complainant dated 8 March 2012 and 17 March 2012 that *"At the moment we don't need you to send us this payment"*, that this wording indicates that the missed payments were not a matter of importance.

This statement is noted in letters as the Company provides customers with a date when it will rearrange to collect the payment due and, in any event, these letters also highlight the importance of maintaining the payments if they wish to keep the plan in place and states, *"However, these payments will need to be collected to make sure your plan stays in force"*.

The Company notes that the conduct complained of involves the communication of instances of non-payment of premium and the eventual cancellation of benefits, relating to the Complainant's late husband and Complainant's joint life insurance policy in March and April 2012. The Company understands that it is the Complainant's contention that the non-payment of premium notices, the direct debit mandate cancellation notice and the cancellation of benefits notice, issued by the Company to Mr A and the Complainant, should also have been sent and addressed to her and to her late husband separately. The Complainant also contends that the Company should have made attempts to contact her by telephone in order to alert her to the non-payment of premiums, the direct debit mandate cancellation and the cancellation of the policy. In addition, the Company understands that the Complainant considers that it acted precipitously in cancelling the policy nine days after receipt of the direct debit mandate cancellation notice from the designated bank.

With regard to the Complainant's contention that she should have received correspondence separately from that issued by the Company jointly to her and her late husband, the Company notes that the application for this life insurance policy was made in joint names, as a married couple, sharing the same correspondence address. In such cases it is Company practice to correspond with married, joint lives' assured, on a joint addresses basis, to the common, shared address provided. Contrary to the Complainant's Representative's assertion, the non-payment of premium letters dated 8 March 2012 and 17 March 2012 were clearly addressed to both *"Mr* [the Complainant's late husband's first name and surname] *and Mrs* [the Complainant's first name and surname]*"* and not just as *"Mr & Mrs* [the Complainant's late husband's first name and surname]*"*. The Company cannot comment as to why the Complainant did not have sight of correspondence which was jointly addressed to her at her correct home address.

With regard to how the arrears and cancellation of the cover was communicated to the Complainant (and her late husband), the Company notes that Section 8.6, 'Provision of Information', of Chapter 8, 'Arrears Handling', of the Consumer Protection Code 2012 obliges the regulated entity to inform the consumer on paper or on another durable medium of any arrears and the status of the policy. The Company refers to the non-payment of premium letters, dated 8 March 2012 and 17 March 2012, the direct debit mandate cancellation notice letter dated 20 April 2012 and the cancellation of policy notice dated 21 April 2012.

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The Company is unaware of any regulation or obligation on regulated entities to contact customers by telephone or any other means of communications, to advise regarding arrears or withdrawal of cover, other than in writing, as was the Company practice in 2012. The Company is of the view that it is at the regulated entities discretion as to whether it chooses to communicate with its customer by any means other than on paper. The Company has only in the last three years, during 2015, taken the decision, at its own discretion, to send SMS text messages to customers when instances of arrears have arisen. This was not, however, Company practice in March and April 2012.

The Company notes that Mr A and the Complainant's policy went out of force and the benefits attaching to it were cancelled on 22 April 2012, due to the non-payment of premiums from 1 March 2012. This was not as a result of the cancellation of the direct debit mandate from the designated bank, which the Company was notified of on 10 April 2012. In this regard, in the event of the non-payment of premiums, the terms and conditions of the policy allow for the immediate cancellation of cover after a period of grace. The period of time between the paid to date of 1 March 2012 and the cancellation date of 22 April 2012 exceeded this grace period by a generous margin. It was simply a coincidence that the confirmation of the cancellation of the direct debit mandate letter and the cancellation of benefits letter issued within a short period of each other. However, unless a replacement mandate was returned to the Company, the outcome would have been the same.

The Complainant or her late husband could have resumed payments to their plan and revived the cancelled benefits by completing the blank direct debit mandate form provided to them by the Company in its letter dated 21 April 2012. Alternatively, they could have sent either cash or a cheque for the arrears in the prepaid envelope or by contacting the Company and paying the areas by either laser or credit card. Contrary to the Complainant's Representative's assertion, all of these alternate payment methods were set out and made available in the Company's various correspondences throughout March and April 2012.

The Company would not be aware of any financial difficulties a customer may have. The Company wrote to Mr A and the Complainant on several occasions, as joint policy owners, to make them aware that their policy was not being paid, which it is obliged to do, and advise them of the seriousness of how non-payment would affect their policy. In addition, the Company made several attempts to collect the outstanding payments due from the designated bank account, all of which were returned as unpaid by the bank. Whilst it is the responsibility of the Company to ensure that it writes to policyholders regarding the non-payment of premium, it is the responsibility of the policyholder(s) to contact any provider with whom they have a contract to ensure that all payments are made in relation to the contract. The Company cannot accept any responsibility for the lack of engagement from either Mr A or the Complainant throughout March and April 2012 and thereafter.

In conclusion, the Company states that it is satisfied that it made every effort to collect the payments due and when these attempts were not successful, it is satisfied that it wrote to Mr A and the Complainant to make them aware that payments were due on their policy, and that the policy had gone out of force when these payments had not been received. The Company states that it is not for it to determine who read or did not read these letters.

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Decision

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainant was given the opportunity to see the Provider's response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision I have carefully considered the evidence and submissions put forward by the parties to the complaint.

Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

A Preliminary Decision was issued to the parties 21 November 2018, outlining the preliminary determination of this office in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter.

Following the issue of my Preliminary Decision, both parties made additional submissions as follows:

1. Letter from the Complainant's representative to this Office dated 12 December 2018.

2. Letter from the Provider to this Office dated 3 January 2019.

Having considered those additional submissions, I set out below my final determination.

The complaint at hand is, in essence, that the Company wrongly or unfairly cancelled the Complainant and her late husband's joint life insurance policy. In this regard, the Complainant and her late husband, Mr A, incepted a joint life insurance policy with the Company on 1 February 2007. The Company cancelled this policy in April 2012 with effect from 1 March 2012 due to the non-payment of premium from that date. Mr A later died in October 2012. The Complainant states that it was not until the solicitors acting on behalf of the Estate of her late husband contacted the Company in January 2013, that she first learnt that the Company had cancelled this policy with effect from 1 March 2012 due to the non-payment of premium from that date.

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It is accepted that the premium in question was not paid, however the Complainant and her Representatives complain about the communication of the instances of the non-payment of premium and the eventual cancellation of benefits relating to Mr A and the Complainant's joint life insurance policy in March and April 2012.

In its correspondence dated 1 June 2017, the Complainant's Representative submits that, *"The mere fact that a premium payment was missed did not entitle* [the Company] *to cancel the Life Policy"*. Life insurance cover, like all insurance cover, is subject to the terms, conditions, endorsements and exclusions set out in the policy documentation. In this regard, Section 3, 'Making Payments', of the applicable life insurance Policy Document provides, among other things, as follows:

> *"3.1 Although each payment is due on the payment dates shown in the plan schedule, we give you 30 days to make the payment. If you make the payment every month, we give you 10 days to make the payment. (The time allowed is known as a 'period of grace'). If you become entitled to a benefit during a period of grace, we will take from your benefit any payment that you have not made.*
>
> *3.2* ***If you have not made a payment by the end of the period of grace, your cover under the plan will end immediately****. A payment is not made until we have received it. It is up to you to make sure that we receive your payment"*.
>
> ***[Emphasis added]***

I must therefore accept that the terms and conditions of the Complainant and her late husband's joint life insurance policy clearly permit the Company to cancel the life cover where a premium payment remains unpaid after the permitted period of grace.

In this regard, I note that the Company was unable to collect the premium payment due in respect of the Complainant and her late husband's joint life insurance policy on 1 March 2012. Following this, the Company wrote to Mr A and the Complainant on 8 March 2012, as follows:

> *"As a valued customer we would like to let you know that your plan has not been paid recently.*
>
> *We applied to your account ******** with Bank…for your payment of 43.41 but we were unable to collect it. The reason given by your bank was 'insufficient funds in the account'.*
>
> *At the moment we don't need you to send us this payment. We will arrange to collect any unpaid amount together with your payment due 43.31 a total of €43.41 on 12 March 2012, that's assuming we don't hear from you or your bank before then. However,* ***these payments will need to be collected to make sure your plan stays in force*** *…*

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We value your custom and are anxious that you keep this valuable plan. If you have any questions or would like to see if there are any other options open to you in relation to your payment please contact our customer service team".

[Emphasis added]

However, the Company was also unable to collect the premium payment on 12 March 2012 when it tried again. In this regard, the Company wrote again to Mr A and the Complainant on 17 March 2012, as follows:

"As a valued customer we would like to let you know that your plan has not been paid recently.

*We applied to your account ******** with Bank…for your payment of 43.41 but we were unable to collect it. The reason given by your bank was 'insufficient funds in the account'.*

At the moment we don't need you to send us this payment. We will arrange to collect any unpaid amount together with your payment due 43.31 a total of €43.41 on 1 April 2012, that's assuming we don't hear from you or your bank before then. However, ***these payments will need to be collected to make sure your plan stays in force*** *…*

We value your custom and are anxious that you keep this valuable plan. If you have any questions or would like to see if there are any other options open to you in relation to your payment please contact our customer service team".

[Emphasis added]

When the Company was advised by the bank that the direct debit in respect of the premium for the Complainant and her late husband's policy had been cancelled, the Company wrote to Mr A and the Complainant 20 April 2012, as follows:

"I am writing in relation to your plan with [the Company].

We have recently been informed by your bank that your direct debit which provides payments for your plan has been cancelled. As a result there are now no payments being received for your plan.

Making changes to your plan can have significant long-term impact. If your circumstances have changed recently, we have options to reduce your payments and help you maintain your plan. Please ensure you speak with [your independent financial advisor] *so that you can make a fully informed decision on your best course of action now.*

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If you are comfortable with your decision and the cancellation, then I would like to thank you for choosing [the Company] *and hope that you will consider us again in the future.*

If you did not mean to or have changed your mind on cancelling payments to your plan then please complete the enclosed direct debit mandate and return it to us in the envelope provided. It is important that you take action on this quickly to ensure the benefits of your plan are maintained".

I also note that as the Company was also unable to collect the outstanding premium on 13 April 2012 as it was returned unpaid by the bank with the reason 'Authority Cancelled', the Company wrote to Mr A and the Complainant on 21 April 2012, as follows:

"We previously wrote to you to tell you that your…plan is paid to 1 March 2012 and that we have not received payment since that date.

As this has not changed your plan has now gone out of force and your benefits have been cancelled. To restore your plan benefits, please send us the amount due of €86.82 in the prepaid envelope provided, together with the payment slip from the bottom of this letter.

You can also make a payment to us by Laser or Credit Card. Just give us a call and we can process your payment over the phone.

You made an important decision originally to take out this protection plan which provides a great sense of security for you and your family. If your circumstances have changed recently then we have options to help you maintain cover on your plan. Please ensure you speak with your financial advisor…so that you can make a fully informed decision on your best course of action now …

If you have any questions or if we can help in any way, please contact a member of our customer team".

The Complainant's representative suggests that because the policy had been deemed to have lapsed on 18 April that these letters are in some way misleading. I do not accept this. The letters can be read as offers to reinstate the policy in spite of the failed payments, since They draw the attention of the holders to the issue as well as include suggestions on how to pay; please complete the enclosed direct debit mandate. As such, they can be seen as reasonable actions on the part of the Provider at that time, in an effort to put the policy back in place.

I accept that the Company provided appropriate notice that the policy premium was outstanding and the importance of paying this premium in order to maintain the policy.

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I note that in its correspondence dated 21 February 2017, the Complainant's Representatives submit, as follows:

> *"It would appear evident to me that not enough was done by* [the Company] *to advise* [the Complainant] *of the two unpaid premiums and further very clear that* [the Company] *should have written to* [the Complainant] *separately on an individual basis rather than issuing letters sent to the joint names of Mr A and Mrs [S]."*.

In addition, in its correspondence to this Office dated 21 October 2017 I note that the Complainant's Representatives interpret certain provisions of the Consumer Protection Code 2012 to conclude that the Company *"was under an obligation to notify both* [the Complainant] *and her late husband with regard to serious matters in March and April 2012"*, insofar that they contend that the Company ought to have written to each of the joint policyholders separately.

In this regard, the Complainant's Representatives submit that the Company ought to have sent a separate copy of the non-payment of premium notices, the direct debit mandate cancellation notice and the cancellation of benefits notice in March and April 2012 addressed solely to the Complainant and another copy addressed solely to the Complainant's late husband, rather than sending one copy addressed to them jointly. The Complainant's Representatives also contend that the Company ought to have made attempts to contact the Complainant by telephone in order to alert her to the non-payment of premiums, the direct debit mandate cancellation and the cancellation of the policy.

However, given that the insurance policy in question was a joint policy and that the joint policyholders resided at the same address and this was the address provided to the Company for correspondence I believe that it was appropriate for the Company to send only one item of correspondence in relation to each policy matter as it arose and that such items of correspondence were addressed jointly to both the Complainant's late husband and the Complainant using both of their names in full [first name and second name in each case]. Having sent notification in writing, I accept that the Company was no under obligation to contact the Complainant or her late husband by telephone or text.

I accept that the non-payment of the policy premium and resultant cancellation of the policy seven to eight months before the death of Mr. A is tragic and has had very serious consequences for the Complainant and her family.

However, the policy Terms & Conditions are clear on the circumstances in which the policy may be cancelled due to non-payment of premiums.

Furthermore, I believe the Company made reasonable efforts to inform the Complainant and her late husband of the consequences of the non-payment of premiums and the avenues available to reinstate payments.

While I understand the stress and difficulty that this has caused the Complainant, I find no grounds on which I can uphold this complaint.

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Conclusion

My Decision pursuant to ***Section 60(1)*** of the ***Financial Services and Pensions Ombudsman Act 2017***, is that this complaint is rejected.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.

GER DEERING
FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

29 January 2019

Pursuant to *Section 62* of the *Financial Services and Pensions Ombudsman Act 2017*, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

(a) ensures that—

(i) a complainant shall not be identified by name, address or otherwise,
(ii) a provider shall not be identified by name or address,
and

(b) ensures compliance with the Data Protection Regulation and the Data Protection Act 2018.