

The complaint

Mr and Mrs S complain as trustees on behalf of the S Trust that Aviva Life & Pensions UK Limited (Aviva) provided incorrect information following a failed review of their Whole of Life (WoL) policies. They felt this impacted their ability to make a decision about their options.

What happened

The background of this complaint is already well known to the parties, so I won't repeat it in detail here. In summary, Mr and Mrs S received a letter from Aviva in July 2019 explaining both their WoL policies (part of a multiplan) had failed reviews. The options available to Mr and Mrs S included:

Option A: keep the same sum assured and increase the premiums; and
Option C: reduce the sum assured and keep the same premiums.

There was further correspondence and Mr S complained to Aviva in September 2019. He was concerned incorrect information provided by Aviva had impaired his ability to decide.

Aviva accepted they had provided some incorrect information and paid £200 in recognition of the upset caused. Mr and Mrs S remained unhappy with the response and asked us to investigate.

Our Investigator felt the complaint should be upheld. In their opinion, Aviva hadn't given Mr and Mrs S reasonable time to make a decision after the confusion caused. Our Investigator felt had Mr and Mrs S been given sufficient time; they would have chosen to increase the premiums and keep the same sum assured (Option A).

Mr and Mrs S accepted our Investigator's view, but Aviva didn't. Therefore, the complaint 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.

I note following the review Mr S raised a number of queries and called Aviva to ask questions. For example, he raised queries throughout July, August and September 2019. Having considered this correspondence, I can see it wasn't an easy decision for Mr and Mrs S. Mr S genuinely sought information to help them choose the most suitable option.

Aviva have apologised for giving Mr S incorrect information about how the policies worked. I've considered the correspondence and can see mistakes were made. For example, in the review letter from July 2019 the policy information and quotes should have been identical, but a system error had occurred which meant different quotes were provided.

On 3 September 2019, Mr S called Aviva and asked some questions about the policy. Aviva have apologised about the misinformation provided as he was told the premiums would not

increase past the age of 80, and the premiums would be reduced after the first death of one of the lives assured. In this call, he confirmed he wanted to maintain the sum assured for both policies and increase the premiums and it seems he relied on the incorrect information provided.

Additionally, during the call Mr S asked about the cost of the premiums should one of the lives assured be removed. Aviva then sent an alteration quote on 9 September 2019. They wrote again on 11 September 2019 and apologised for misinterpreting Mr S's request. They confirmed Mrs S hadn't been removed from the policy.

As mentioned, this wasn't a straightforward decision and had consequences for Mr and Mrs S. Mr S reasonably made enquiries to help him make that decision and he should have been given accurate information. Therefore, I can appreciate why the situation would have been upsetting and confusing.

Aviva posted their response to Mr S's complaint and his queries on 6 November 2019. They also provided a 20-day grace period from the date of the letter for Mr and Mrs S to make a decision. I note on 27 November 2019 Mr S called to confirm they wanted to reduce the sum assured and keep the premiums the same (Option C).

However, Aviva's deadline wasn't reasonable. The response followed a period of confusion and a further error was made. I've seen on 15 November 2019 Aviva wrote to Mr and Mrs S and apologised for stating the sum assured would be payable on the first death. Therefore, Mr and Mrs S remained understandably mistrustful of the information provided. The response was also posted to Mr and Mrs S, so wouldn't have reached them straight away leaving them with less time to consider things.

Additionally, Mr S contacted Aviva on 27 November 2019 to confirm their decision. This was also a day after the grace period. On 6 December 2019 Mr S contacted Aviva and requested for the policies to revert to the previous sum assured (as if they had chosen Option A). By this point, he'd had the opportunity to discuss matters with a financial advisor. Aviva have said it was outside of the grace period, but I'm content it was still reasonably prompt and only within a short time of communicating their previous decision.

Moreover, Mrs S was in serious poor health. This was recorded in Aviva's call note from 10 September 2019. So, I'm satisfied Aviva were aware of the difficult circumstances in which Mr and Mrs S were trying to make this decision. Mr S's letter of 25 September 2019 also set out the confusion and distress experienced.

I'm satisfied these circumstances would have made it difficult to review the information and make a decision. For these reasons, a standard deadline wasn't appropriate, and I'm not satisfied Mr and Mrs S were given sufficient time to seek the advice they needed in their difficult circumstances. This meant they made a rushed decision on 27 November 2019 and I think it's one they wouldn't have otherwise made.

If Mr and Mrs S had been provided with clear information and a reasonable amount of time to make the decision, I'm content it's likely they would have always chosen Option A. It seems to have been affordable for Mr and Mrs S as it's the option they initially chose, and it was the option they wanted after receiving some advice.

Aviva have said Mr and Mrs S rejected a quote they provided in February 2020 to increase the sum assured back up to £100,000. However, the premiums in the quote were much higher than what had been quoted in the review letter from July 2019. So, this doesn't persuade me Mr and Mrs S wouldn't have chosen Option A.

Putting things right

I'm content it's likely that had Mr and Mrs S been given reasonable information following the review and a sufficient amount of time to consider their options, they would have chosen to keep the sum assured and pay the higher premiums. Therefore, Aviva should:

- Restructure the policies from the review date in July 2019 as if Mr and Mrs S had selected Option A and cover the missed premiums up to date of settlement (with Mr and Mrs S responsible for higher premiums thereafter).
- Pay a further £150 to Mr and Mrs S for the trouble and upset. Aviva have already paid £200 and I am of the view a total of £350 appropriately recognizes the impact.

I'm satisfied this is fair and reasonable in all the circumstances of the complaint.

My final decision

I'm upholding this complaint and Aviva Life & Pensions UK Limited should put things right in the way outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S as trustees of the S Trust to accept or reject my decision before 6 October 2022.

Laura Dean
Ombudsman