

The complaint

Mrs B has complained that New Day Ltd cancelled the payment protection insurance (PPI) policy on her store card.

What happened

New Day wrote to Mrs B on 16 August 2021 to inform her that that it was cancelling the PPI on the card with effect from 31 October 2021.

Our adjudicator didn't uphold the complaint because New Day had made a business decision to withdraw the PPI and had provided sufficient notice of the cancellation.

Mrs B disagrees with the adjudicator's opinion and so the complaint has been passed to me 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.

Mrs B says she has been paying for the PPI for a number of years and feels it is totally unfair that it has been cancelled. Shortly after the policy was cancelled she was diagnosed with a serious illness and feels that New Day should honour the sickness claim she'd like to make. New Day was the seller of the policy and was also the administrator, but it was not the insurer. So in this decision I'm only looking at whether or not New Day acted fairly in its administration of the policy.

Under the policy terms, the policy can be cancelled at any time as long as 60 days' notice is provided. Based on the available evidence, I'm satisfied that New Day gave sufficient notice as it was required to do.

Mrs B says she didn't receive the letter dated 16 August 2021. But it was correctly addressed and so, on balance, I consider it more likely than not that it would have been delivered. The letter signposted Mrs B to where she could find advice on alternative cover. New Day says it sent a second reminder letter before the cancellation date, which would be usual in such cases, although it doesn't have a record of the date this was sent.

I'm very sorry for the situation that Mrs B finds herself in. Mrs B says she has paid for the policy for a number of years. But during that time she could have made a claim if she'd needed to. The timing of the cancellation has been very unfortunate for Mrs B. However, looking at New Day's role in this matter, I consider that it has acted fairly.

I don't know the exact timing of Mrs B's illness. I can see that it was only a couple of weeks after the policy was cancelled that she first complained to New Day. As has been previously mentioned, claims arising from events that happened prior to 31 October 2021 would be considered by the insurer. So Mrs B may wish to have a discussion with the insurer if her illness started before that date.

Mrs B has also said that the PPI should have been looked at at the point that she retired. But the insurer would not know she had retired unless she told them. She'd like a refund of premiums from that point. Again, this is also a matter for the insurer to consider and so she should contact them in the first instance.

My final decision

For the reasons set out above, I do not uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 17 January 2023.

Carole Clark
Ombudsman