

The complaint

Mr and Mrs L complain about the requirements The Royal London Mutual Insurance Society Limited trading as Scottish Provident have asked for in order to reinstate their life insurance policy.

What happened

Royal London didn't receive a monthly premium for the policy in February 2022 because Mr and Mrs L had cancelled the direct debit. They wrote two letters to Mr and Mrs L in March 2022 asking for payment and again in April 2022 saying the policy had been cancelled due to non-payment of the premiums.

Mr and Mrs L complained saying they had only received the first letter but not the other two. Royal London agreed to reinstate the policy if Mr and Mrs L completed an updated health questionnaire and made up the missed premiums.

Mr and Mrs L didn't think they should have to complete the health questionnaire so brought their complaint to our service. One of our Investigators looked into things and thought the letters were correctly addressed and had been sent. They also said that asking Mr and Mrs L to complete a health questionnaire was a reasonable underwriting requirement to reinstate the policy.

In response Mr and Mrs L said they didn't think the second two letters had been sent. Because an agreement couldn't be reached the matter has come 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.

Mr and Mrs L have provided a lot of information about the complaint and it's clear to me how strongly they feel about what happened. I want to assure Mr and Mrs L that I've read and considered everything that's been provided even if I don't mention it in detail. I've summarised some of what happened which reflects the informal nature of our service.

Mr and Mrs L say they cancelled the direct debit due to some unexpected expenses. They say they had done this before so understood the process of Royal London sending two letters with arrangements to catch up the premiums.

Royal London sent Mr and Mrs L a letter on 2 March 2022 saying that a premium had been missed. Mr and Mrs L say they received this letter.

A second letter was sent on 15 March 2022 saying that Mr and Mrs L had to make contact by 27 March 2022 and make a payment agreement or the cover would stop. Contact wasn't made with Royal London so the policy was cancelled which was confirmed in a further letter dated 11 April 2022.

On 12 April 2022 Mr and Mrs L contacted Royal London to enquire after the policy saying

they hadn't received any letter after the first one. Royal London explained that the policy had now been cancelled. They agreed to reinstate the policy if Mr and Mrs L made up the missed payments and completed an updated health questionnaire. Mr and Mrs L said they shouldn't have to do this as they didn't receive the letters and also due to a change in health circumstances.

Looking at the evidence provided by Royal London I'm persuaded the letters were sent and they were correctly addressed in the same way as the first letter. I don't know why they weren't received as Mr and Mrs L say, but by sending the letters Royal London fulfilled their obligations.

Having looked at the letters I think they make clear the consequences of non-payment and provide adequate contact information.

I'm also satisfied that the policy was cancelled in line with the terms and conditions and as the letter of 15 March 2022 said it would be.

Asking a policy holder to complete an updated health questionnaire is quite usual when reinstating a policy in these types of circumstances. So I think this is a reasonable request from Royal London.

Moving forward Royal London say they will consider a questionnaire taking into account any health changes since the last premium was paid. They also say they will consider a repayment plan for the outstanding premiums usually over a six-month period. Mr and Mrs L should contact Royal London if they would like to discuss this. Any discussion, and any outcome of that discussion, about the reinstatement of the policy doesn't form part of this decision as this option has always been available.

Having carefully considered everything that happened I'm satisfied Royal London treated Mr and Mrs L fairly and reasonably when cancelling the policy so I won't be asking them to take any further action.

My final decision

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs L to accept or reject my decision before 18 May 2023.

Warren Wilson

Ombudsman