

## **The complaint**

Mr and Mrs Z complain about how Scottish Friendly Assurance Society Limited administered their whole of life policy when a review was missed.

## **What happened**

In early 2023 Scottish Friendly wrote to Mr and Mrs Z saying there had been an issue with their whole of life policy. An administration error meant that the policy should've lapsed back in September 2021. Because of this they refunded the premiums that had been collected since that time.

Mr and Mrs Z complained and Scottish Friendly looked into what happened. They explained a review of the policy should've taken place in 2021 and they offered £200 as an apology. They also conducted a retrospective review of the policy and gave three options moving forward none of which Mr and Mrs Z wanted to accept so they brought the complaint to our service.

One of our Investigators looked into things and thought the offer of £200 and the options of how to move forward were a fair resolution of the complaint. Mr and Mrs Z disagreed saying they wanted a larger amount of compensation.

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

All parties agree that Scottish Friendly made an error and a review wasn't conducted when it should've been. So my role is to see if the way Scottish Friendly have offered to put things right is fair and reasonable. And looking at everything I think it is.

When a mistake happens a business should, as much as possible, put the customer back in the position they would be in had the mistake not occurred. And I'm satisfied that's what Scottish Friendly have offered to do here.

Scottish Friendly have offered Mr and Mrs Z three options:

- Return the refund and proceed with the same level of cover and with new premium
- Return the refund and proceed with the new level of cover for the current premium
- Keep the refund and allow the policy to lapse

Alongside this they have offered to pay £200 as an apology for the inconvenience of what happened. Scottish Widows also said that if either of the first two options were chosen the policy would be subject to further reviews in the future which is how the product works.

Having looked at these options I think it is a fair and reasonable way of putting things right. The first two options are what should've been available at the time of the missed review. So it offers to put Mr and Mrs Z back in the position they would be in had the review taken place when it should have. I think it's also fair to allow them to keep the refund and let the policy lapse if they choose to.

I'm also satisfied the £200 is fair for the inconvenience caused. The problem shouldn't have happened which is upsetting, and it's taken some time to sort things out.

Mr and Mrs Z have said they want substantial compensation of over £27,000 however I don't think this would be a fair resolution. It's not our role to punish a business for making mistakes and nor is it our role to advocate for consumers. And that proposal is not how the policy works so it wouldn't be fair of me to recommend that.

It seems that the proposal from Mr and Mrs Z likely comes from dissatisfaction with how the policy works in general. However this complaint is about the consequences of the missed review and so that's what I've looked at.

Having carefully considered everything that happened I'm satisfied the offer from Scottish Friendly is a fair and reasonable way of resolving the complaint.

### **Putting things right**

Scottish Friendly Assurance Society Limited should pay Mr and Mrs Z £200 for the inconvenience of what happened.

If Mr and Mrs Z want to accept either of the first two options presented they should contact Scottish Friendly.

### **My final decision**

Scottish Friendly Assurance Society Limited has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Scottish Friendly Assurance Society Limited should pay Mr and Mrs Z £200 regardless of which option they choose.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs Z to accept or reject my decision before 13 June 2023.

Warren Wilson

**Ombudsman**