

The complaint

Mrs C complains about how Aviva Life & Pensions UK Limited settled a claim under a life insurance policy she held with the late Mr C.

What happened

When Mr C sadly passed away Mrs C made a claim on their life insurance policy. Aviva agreed the claim however the amount was around £30,000 less than Mrs C was expecting to receive.

Aviva said the sum assured had changed when Mr C amended some details on the policy after it was taken out. They said this was confirmed in the policy documents provided to Mr and Mrs C after the changes had been made. Also there had been other letters sent confirming the sum assured.

Mrs C said that Aviva didn't do enough to let Mr C know about the change in the sum assured in the telephone call when some details were changed. Aviva said there was no mention of the sum assured in the telephone call, but confirmed the amount was in all the follow up documentation.

Remaining unhappy Mrs C brought the complaint to this service where one of our Investigators looked into what happened. They thought the documentation from Aviva was clear about the sum assured so didn't uphold the complaint.

Mrs C disagreed and 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.

This has understandably been a difficult time for Mrs C after Mr C suddenly passed away. Dealing with the policy issue has added stress and worry at an already emotional time.

A lot of information has been provided about this complaint and it's clear to me how strongly Mrs C feels about what happened. I want to assure Mrs C 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 of the things that happened which reflects the informal nature of our service and no offence is intended.

All parties agree that the change in sum assured wasn't mentioned in the phone call Mr C had with Aviva. So I've also considered the wider context of what happened with the policy.

The policy was taken out through a third party and not directly with Aviva who say it was chosen based on the premium amount rather than the sum assured. Mr and Mrs C were sent policy documents which they checked and saw there were some errors with the details for Mr C. This is why Mr C phoned Aviva.

After the phone call with Aviva Mr and Mrs C were sent a new set of documents. The confirmation of change letter provided a new policy number and said "It's really important you check through this document to make sure the information shown is correct".

Aviva provided details of the new policy with a welcome letter which said "Please check your policy schedule and Personal Details Confirmation .. ". The Offer acceptance document sent as part of the welcome pack showed a sum assured of £60,208.

The policy had an increasing cover option. This means that each year Aviva wrote to say the sum assured was increasing as well as the monthly premium. I've seen copies of these letters from 2019, 2021 and 2022 which show the sum assured increasing several thousand pounds each year from a starting point of around £60,000.

Whilst the sum assured wasn't mentioned in the telephone call, and all parties probably agree it would've been more helpful if it was, I think Aviva made Mr and Mrs C aware of the amount of cover on several occasions and asked them to check the details. Mr and Mrs C checked the details on the first set of documents as that's when they noticed the original problems. And on more than one occasion Aviva asked Mr and Mrs C to check the details again.

Aviva didn't hear from Mr and Mrs C and so fairly assumed they were happy with the policy after the changes were made.

Having carefully considered everything that happened I'm satisfied Aviva administered the policy and the claim in a fair and reasonable way. The sum assured paid for the claim was the correct amount under the policy that the premiums were paying for.

What happened did cause Mrs C some distress and inconvenience and our Investigator recommended Aviva Pay £100 for this. Taking everything into account I'm satisfied £100 is a fair and reasonable payment for the trouble caused.

Putting things right

Aviva Life & Pensions UK Limited should pay Mrs C £100 for the distress and inconvenience of what happened.

My final decision

For the reasons I've explained my decision is that I uphold this complaint.

Aviva Life & Pensions UK Limited should take the action I've outlined above and pay Mrs C £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 29 November 2023.

Warren Wilson
Ombudsman