

The complaint

Ms F complains about a reviewable whole of life policy, provided by a business for which Aviva Life and Pensions UK Limited ("Aviva") is now responsible. Mrs F is unhappy with the outcome of the review of the policy carried out in 2021, which asked her to pay double the premiums in order to maintain the cover. She thinks this happened because she had turned 70, and that it is not fair. She says she was told the premiums would not change when she took the policy out and would like Aviva to continue to provide cover for the premium she had been paying up until 2021.

What happened

Ms F took out a Multiplan Whole of Life Plan in 1996. This was a reviewable whole of life policy. The policy provided an initial sum assured of £40,000, for a monthly premium of £20.00.

In February 2021, Ms F received a review letter from Aviva. This letter explained the premiums no longer supported the sum assured. And the premiums paid would have to increase to £53.82, or the sum assured be reduced to £21,417.

This letter prompted Ms F's complaint to Aviva. Aviva did not uphold the complaint. It said, in summary:

- The adviser would have explained the product and provided Ms F with product particulars. The information provided explained the sum assured was only guaranteed for the first ten years and after that the premium may have to be increased in order to maintain the premium or alternatively the sum assured would be reduced to maintain the premium.
- The guaranteed period ended on the 24 March 2006. The policy has been subject to regular reviews ever since.
- The regular policy reviews check that the balance between premium and benefit can be maintained, or if it has to be adjusted. The first review is at the tenth anniversary, when the initial guarantee expires, and further reviews are every five years and then annually from age 70.
- Policy Reviews help make sure the premium can deliver the benefits Ms F signed up for until her next review.
- The fact is the older we get, the higher the cost of life cover and this can often mean a significant change will be required at review.
- Previous reviews confirmed the premium and benefit were in balance and could be guaranteed to the next review. But the 2021 review calculated the original balance between premium and benefit could not be maintained. So, it had to ask Ms F to choose between increasing the premium or reducing the benefit.

Ms F was dissatisfied with this response, and referred her complaint to us. Our investigator concluded the complaint should not be upheld. She said, in summary:

- The evidence shows Ms F was made aware the policy was reviewable, and the premiums were likely to increase as she got older.
- The 2021 review was carried out in accordance with the policy terms and conditions and, as Ms F did not respond to it, the default option was applied, which reduced the level of cover.
- Aviva's policy review communications did meet its regulatory obligations and standards of good practice. The information given to Ms F at the policy reviews from 2011 onwards was clear, fair, and not misleading. Aviva let Ms F know what was likely to happen to her premiums for the lifetime of the policy. And it gave her clear options, to enable her to make an informed decision as to what to do with the policy.
- Aviva also made it clear increases could happen and what these could look like given the amounts required to maintain cover throughout the life of the policy.
- There was therefore no basis on which she could fairly and reasonably conclude Aviva should continue to offer £40,000 cover at the original premium of £20 a month.

Ms F said she was disappointed by this view and wanted an ombudsman to review her complaint.

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.

Having done so, I have reached the same conclusion as the investigator, for the same reasons. I appreciate Ms F will be disappointed by this.

Turning first to the initial sale of the policy, like the investigator, I am satisfied, from the available evidence, that the reviewable nature of the policy and what that meant in practice was clearly explained to Ms F at the outset. The point of sale documents show Ms F was told:

"The plan will be reviewed in 10 years time therefore premium and life cover guaranteed for 10 years. Afterwards the premium is likely to increase due to the plan being written on maximum basis"

Aviva has also provided a letter from February 1996, signed by Ms F, which confirms she was made aware the policy would be reviewed in 10 years' time and the premium was likely to increase after that point.

Like the investigator, I do not think there is sufficient evidence to show Ms F was otherwise unsuitably advised. The policy met the need Ms F had at the time and provided an affordable solution to that need. So, I do not think the policy was mis-sold to Ms F.

Turning to the 2021 review, like the investigator, I think it is relevant to consider not only that review communication, but the review communications sent to Ms F before it.

Aviva, as the authorised business providing the policy, was subject to a number of regulatory obligations, set out in the Principles for Businesses and Conduct of Business Sourcebook.

These required Aviva, amongst other things, to treat customers fairly, to meet their information needs and communicate in a way which is clear, fair, and not misleading. And the regulator (the Financial Conduct Authority) issued some guidance to businesses like Aviva on the fair treatment of long-standing customers in the life insurance sector in 2016. This gave some non-exhaustive examples of what the regulatory obligations might mean in practice.

Like the investigator, I am satisfied that the review communications issued by Aviva in this particular case were consistent with its regulatory obligations and standards of good practice. They set out the (then) current position with the policy but also what was likely to happen in the future – and what premium Ms F would likely have to pay to maintain the £40,000 cover for life or what level of cover she would need to reduce to in order to maintain the same premiums for life.

The review correspondence therefore put Ms F in a fully informed position and set out the options available to her and the costs (or consequences) associated with each. I appreciate Ms F does not recall receiving this correspondence, but Aviva has provided copies of the 2011 and 2016 review letters, which appear to be correctly addressed. So, I think it more likely than not they were received by Ms F and, in any event, that Aviva did send them and therefore took sufficient steps to communicate the review outcomes.

I therefore think Aviva's ongoing communications took sufficient steps to clearly communicate the nature of the policy to Ms F, and how it was likely to perform over the longer term.

I understand Ms F is disappointed by the outcome of the 2021 review. But I am satisfied that review was carried out in line with the terms of the policy. And, as mentioned, Aviva did explain to Ms F that the premiums would increase as she got older (or, alternatively, that the level of cover would fall), and did so well in advance of this happening.

I have not seen any evidence to show Aviva undertook to provide a policy which would provide £40,000 life cover at a cost of £20 a month for Ms F's whole life, or led Ms F to believe it was providing such a policy. Given this, and my findings otherwise, there is therefore no fair and reasonable basis on which I can ask Aviva to do anything else.

My final decision

For the reasons given, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 6 October 2025.

John Pattinson
Ombudsman