

The complaint

Mr W complains about the way that MetLife Europe d.a.c administered the cancellation of his personal accident insurance policy.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the key events.

In March 2023, Mr W took out a personal accident insurance policy, which was underwritten by MetLife. Cover under the policy started on 23 March 2023 and was renewed monthly. The policy documentation showed that after June 2023, the monthly premium would be collected on the 15th of each month. This meant that premiums were paid in arrears for much of each policy monthly period.

On 29 September 2023, Mr W called MetLife to cancel the policy. He explained that this was because he was no longer self-employed. As Mr W's premiums were only paid up to 21 September 2023, the policy was cancelled with immediate effect. Mr W was sent a letter which confirmed that the policy had been cancelled.

Unfortunately, on 30 September 2023, Mr W suffered an accident. So he contacted MetLife to make a claim. But as the policy was no longer in force, MetLife told Mr W that it wouldn't be able to consider a claim.

Mr W was unhappy with the way MetLife had administered the cancellation of his policy. He said he'd understood that cover would remain in place until 14 October 2023. He didn't think MetLife had checked when he wanted the policy to end or that it had clearly informed him that the contract would be terminated immediately. So he asked us to look into his complaint.

Our investigator didn't think MetLife had treated Mr W unfairly. He listened to the call between Mr W and MetLife's call handler. He was satisfied both that the call handler had acted promptly upon Mr W's cancellation request and had confirmed that the policy had been cancelled. He didn't think there was anything in the call to suggest Mr W wanted the policy to remain in force until the next premium due date. And he noted the cancellation had been followed-up in writing. Overall, he felt it had been fair for MetLife to conclude that there was no policy in force at the time of Mr W's accident.

Mr W disagreed and I've summarised his responses to our investigator:

- He hadn't specified that he wanted the policy to be cancelled immediately and this wasn't clarified by the call handler. Mr W's other monthly contracts ran until the end of each monthly term. He'd expected this policy to work in the same way. He didn't think MetLife had met its duty to provide him with clear information. The fact he'd made a claim after the policy had ended showed he was unaware that the policy had been cancelled with immediate effect;
- He rejected the cancellation letter MetLife had sent, as he didn't think it contained

accurate information – such as the date of cancellation or any outstanding debt. And he didn't think it had aligned with his instructions. Nor did he think the cancellation should have been actioned until the cancellation letter had been seen and accepted by him. He questioned why there was no cooling-off period until a cancellation letter had been accepted;

- He considered MetLife had breached the provisions of the Consumer Rights Act (2015). He felt it had issued an unfair notice which created a significant imbalance between his rights and those of MetLife. He considered he'd acted in good faith and that MetLife had failed to provide him with clear and transparent correspondence about the contract termination. So he felt the law precluded MetLife from relying on the policy cancellation.

The complaint's been passed to me to decide.

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, whilst I'm sorry to disappoint Mr W, I don't think MetLife has treated him unfairly and I'll explain why.

The relevant rules and industry guidelines say a business should provide support and help with understanding and enable customers to pursue their financial objectives. I've taken those rules into account, together with other considerations, including relevant law, the policy terms and the available evidence, to decide whether I think MetLife treated Mr W fairly.

It's common ground that on 29 September 2023, Mr W contacted MetLife to request the cancellation of his policy. Mr W says he believed his policy would remain in force until the end of the policy month. In this case, that date would appear to be the end of his monthly billing period on 14 of October 2023 (although Mr W has also suggested he wanted cover until later that month). If this had been the case, it seems Mr W would likely have been in a position to make a personal accident claim for the injury he sustained on 30 September 2023.

However, MetLife says that Mr W's cover ended, in line with his instructions, on 29 September 2023, the date of his call. Therefore, it concluded Mr W didn't have active cover in place at the time of his accident. So I've carefully considered all that's been said and provided to decide whether I think this was a fair conclusion for MetLife to draw.

I've first considered the policy terms and conditions, as these form the basis of the contract between Mr W and MetLife. The personal accident policy was a monthly contract, with each renewal being subject to the payment of the monthly premium. The policy terms say:

'You can cancel this policy at any time. You should let us know by calling us on (number), or writing to MetLife.... We will then write to you and confirm that the policy has been cancelled.'

Like the investigator, I've listened carefully to the call of 29 September 2023 between Mr W and MetLife's call handler. At the start of the call, Mr W told MetLife that he wanted to cancel his policy. The call handler told Mr W that they could get this 'all sorted' for him. Mr W explained that he was no longer self-employed. The call handler said:

'No worries. I'll just terminate that for you and get the confirmation out to you as well.'

In my view, Mr W gave MetLife a clear instruction to cancel his policy. And I don't think it was unreasonable for MetLife's call handler to rely on that instruction to end the contract with immediate effect. I think the call handler made it clear that they were 'just' terminating the policy. If Mr W had believed cover would run for another couple of weeks, I think he ought reasonably to have questioned this during the call. There's no persuasive evidence to suggest the call handler led Mr W to believe that cover would remain active until 14 October 2023. I acknowledge there was some background noise, but I think the call handler would have had no reason to believe that Mr W may not have been able to hear or understand what was being said. So I don't think the call handler had any reason to ask Mr W further questions; believe that he might have wanted the cover for a few more weeks, or to provide further support.

I'd add too that Mr W knew he was attending a sporting event the next day. This wasn't something he shared with the call handler during the call. If remaining covered for the event was important to Mr W, I think he had an opportunity to check with the call handler that cover would remain in place. He's also said his new role wouldn't begin until later in October 2023. So he'd wanted cover to remain in place until that point. Again, this wasn't information he shared with MetLife. I think Mr W was best placed to probe exactly when cover would end, given the importance he says he attached to it remaining in place for a few weeks more.

Based on the information Mr W gave the call handler though, I'm not persuaded that they had any obligation to ask him any more questions, or that they failed to give him clear information. I don't find it was unreasonable for MetLife to have concluded that Mr W didn't need further support with the cancellation of his policy and to proceed with terminating the contract.

In line with the contract terms, MetLife issued Mr W with a cancellation confirmation letter on the same day – 29 September 2023. This said:

'Please accept this as confirmation that your policy has been cancelled in line with your instructions.'

Mr W says that he didn't receive this letter for a few days and I appreciate that there may have been a short delay between the letter being sent and received. But I find the letter makes it sufficiently clear that the policy *had* been cancelled. Again, there was no suggestion that cover would end once the billing month came to an end. And, as I've explained above, I think MetLife had acted in accordance with a clear instruction to cancel the policy and issued a cancellation letter in line with the policy terms.

It's clear how strongly Mr W feels that MetLife didn't meet its regulatory and legal obligations. But I think the call was clear and that the call handler didn't mislead Mr W in any way. I appreciate that the cancellation letter doesn't specify the date of cancellation. But I think it's sufficiently clearly drafted to highlight that the policy had been ended, as Mr W had requested. So I don't agree that either the cancellation letter or the call lacked clarity or transparency. Nor would I generally expect an insurer to require a policyholder to 'accept' a cancellation letter before proceeding to end a contract. Instead, I think it was reasonable for MetLife to act on what Mr W had told it to do.

I don't doubt how disappointing it was for Mr W when he learned that he wasn't able to make a claim. And I appreciate he appears to have believed his policy would run until 14 October 2023. But I don't think that understanding was based on any misleading or erroneous information given by MetLife or by any actions it took. So while I sympathise with Mr W's position and I hope he's recovered from his injury, I don't find that MetLife failed to meet its regulatory obligations or that it's done anything wrong that it needs to put right.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 February 2024.

Lisa Barham
Ombudsman