

The complaint

Mrs G has complained that St. Andrew's Insurance Plc declined some of the claims she made on her mortgage payment protection insurance (PPI) policy.

What happened

Mrs G took out the policy in 2007. At inception, the qualifying period for making a claim was 30 days. This meant the policy didn't cover the first 30 days of someone being unable to work due to accident or sickness.

In May 2016 the policy term changed. From that point onwards, the qualifying (or waiting) period was reduced to 15 days.

In April 2023 Mrs G contacted St. Andrew's to enquire whether she was able to make retrospective claims, as she had forgotten that she had the policy. She was told that she could claim and, on a number of occasions, she was told that the waiting period was 15 days.

However, when Mrs G subsequently made 12 claims, spanning the period 2007 to 2022, a number of them were declined on the basis that they related to the period before May 2016 and Mrs G had not been off work for more than 30 consecutive days.

In response to the complaint, St. Andrews accepted that she had been given incorrect information by its advisers and offered her £350 compensation for distress and inconvenience.

It also addressed some other complaints about poor service. So it offered her a further £150 for the delay in processing one claim for the period beginning December 2016, £50 for not giving a promised call back about receiving a letter about the premium increasing, and £25 for failings in a call on 4 September 2023.

Therefore, in total, Mrs G was offered £575 in compensation. However, St. Andrew's maintained its decision to decline the remainder of the claims.

Our investigator thought that St. Andrew's had acted fairly and reasonably, both in declining the claims and in its response to the complaint. Mrs G disagrees with the investigator's opinion and so the complaint has been passed 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.

Mrs G doesn't dispute that the policy terms in relation to the waiting period changed in May 2016. But she thinks that, because she was told that the 15-day waiting period would apply to any retrospective claims she made, St. Andrew's should honour what it said.

She says that she has suffered a serious financial loss as a result because she was expecting to get an additional £7,000 that she had allocated for something.

I can't agree that Mrs G is out of pocket. She would only be at a loss if money she was entitled to was being withheld from her.

As already stated, the waiting period prior to May 2016 was 30 days. Five of the claims relate to this earlier period and where Mrs G wasn't off work for more than 30 days. Therefore, I'm satisfied that St. Andrew's has correctly assessed those claims in line with the prevailing policy terms.

St. Andrew's undoubtedly provided incorrect information. But I'm not persuaded that means it should honour the claims. Whilst Mrs G isn't out of pocket, she has certainly suffered a loss of expectation. But that is more appropriately dealt with under compensation for distress and inconvenience.

I've thought about what Mrs G has said, but overall, I'm satisfied that £350 is an appropriate amount for the distress and inconvenience caused by being given incorrect information. I also consider that the additional £225 offered for the other parts of the complaint, is also fair and reasonable. It follows that I do not uphold the complaint.

On another matter, Mrs G has more recently made one or two new points of dissatisfaction with St. Andrew's. As our investigator has explained, as these didn't form part of her original complaint, she would need to address these issues directly to St. Andrew's in the first instance.

My final decision

For the reasons set out above, I do not uphold the complaint.

St. Andrew's Insurance Plc should pay the compensation it has offered to Mrs G, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 20 March 2024.

Carole Clark

Ombudsman