

The complaint

The estate of Mrs A has complained about Aviva Life and Pensions UK Limited. A representative of the executors of the estate tried to claim on what she thought were two funeral plan policies held in Mrs A's name. Aviva told her one of the two policies does not exist. The estate of Mrs A said Aviva should pay out on both policies and said the estate has incurred costs because of Aviva's mistakes.

The estate of Mrs A has three executors including Mr A, the late Mrs A's husband. The estate of Mrs A and its executors are represented in this complaint by Mrs A's granddaughter, Miss A and she has provided submissions on the estate of Mrs A's behalf. So, I have referred to Miss A as well as the estate of Mrs A, and Mr A throughout.

What happened

Miss A called Aviva on 6 March 2023 to confirm next steps for claiming on two funeral plan policies that she could see from paperwork she had found was in the late Mrs A's name. Miss A said she had documentation in front of her for two policies, each one with a policy number. She said one policy had a sum assured of £2065 and the other £3280.

Miss A said Aviva from the outset couldn't find one of the policies on its system and said it would call her back. Miss A said she had to chase Aviva and when she did it said she needed to provide it with a death certificate. She said she had to chase them again and it was at this stage, Miss A said she was reassured that she would receive the sum assured for both policies.

Miss A said she felt reassured by what Aviva had said to her over the phone, so she went ahead and arranged to pay for Mrs A's funeral at this point. This came to around £4070. She felt that between the two sums assured that the estate was going to receive from the policies, that the funeral costs would be met.

Miss A said after Mrs A's funeral and after the estate had incurred the costs, Aviva informed her that Mrs A only held one policy, with a sum assured of £2065. It said it would be paying for that one only. Miss A said the estate was out of pocket as she wouldn't have agreed to pay for the funeral for the amount she did if she had known beforehand what had happened. She said Aviva should honour paying the sum assured for both policies. She complained to Aviva about this.

Aviva said it made an error and provided incorrect information about the second policy and that it didn't exist. Aviva apologised for this. It said it provided misinformation, had delayed payment of the first policy and had raised expectations about the estate being paid more than it was due. Because of this Aviva said it would pay the estate of Mrs A £250 compensation. It paid this into Mr A's bank account, as he is one of the executors of the estate. Miss A did not accept this and referred the estate of Mrs A's complaint to our service.

I issued a provisional decision on this complaint on 4 January 2024. Both parties have received a copy of that provisional decision, but for completeness I include an extract from the decision below. I said;

"I am upholding The estate of Mrs A's complaint and am currently minded to ask Aviva to reimburse the estate of Mrs A, the funeral costs incurred minus the amount paid out on the policy Mrs A did have. I will explain why.

Aviva has admitted it made mistakes with how it has dealt with Mrs A's policy. It said it sent information to Mrs A in January 2022 and gave incorrect information about a policy that doesn't exist. So, this would explain why Miss A, when she went to call Aviva to ask about next steps, would have had documentation in her hand about two policies. She would have had documentation about the policy that did exist, one with a sum assured for £2065 and also incorrect documentation about one that didn't. But Miss A and the estate of Mrs A wouldn't have known this when Miss A called Aviva on 6 March 2023 to find out what to do next.

Miss A was told by Aviva on 6 March 2023 that it couldn't find one of the policies on its system, but it said it would find out more and get back to her. Miss A had to chase Aviva on a number of occasions over the coming days, and I can see that this would have been stressful for her in difficult circumstances. She wanted to get the issue resolved about the policy documents as she and the estate of Mrs A would be meeting the funeral directors to discuss the funeral and payment.

Miss A has given a detailed account of what happened here and what was said by Aviva to her. She said before the estate of Mrs A committed to paying for the funeral, she was reassured by Aviva that the estate would pay out for both policies. In obtaining this reassurance, Miss A said she then, on behalf of the estate of Mrs A, agreed to pay for the funeral with the costs coming to around £4070. She said she felt this was ok as she had been given reassurance from Aviva, and the sum assured from both policies would cover it.

I am persuaded by what Miss A has said. She has given a detailed and persuasive account of what happened. I can also see from call notes provided by Aviva, that a representative put on its system on 24 March 2023 the following note "She says money is in the bank and it is only for one policy. I said I was following up on that because I requested payment for both." I can see on reading this, that a representative from Aviva put a request in that both policies be paid out. This note on Aviva's system I think on balance, supports what Miss A recollects, that the representative from Aviva said to her that both policies would be paid to the estate.

Aviva didn't let Miss A, or the estate of Mrs A know that the second policy didn't exist, until after the funeral and after the estate had incurred the costs. It has said it made these mistakes. What I need to consider is what it should do to put things right.

I need to consider what the estate of Mrs A would have done but for Aviva's mistakes. Our service has spoken to Miss A about this, and she has said the estate of Mrs A would have spent what it thought was going to be paid out by Aviva. She said they thought they would get paid out on both policies so spent on Mrs A's funeral with that in mind.

Miss A has passed on information from the funeral directors about alternative costs for Mrs A's funeral. I have looked through this and can see that the funeral directors would have provided a funeral for the sum assured for Mrs A's actual funeral plan policy.

So based on what I have just found, I am minded to conclude, that but for Aviva's mistakes, the estate of Mrs A would have used the sum assured on Mrs A's policy to pay for Mrs A's funeral and spent only that. And that the estate of Mrs A spent more, under the misinformed belief, caused by Aviva, that they would be receiving more than they got. So, I think Aviva's mistakes have caused the estate of Mrs A detriment here and it is out of pocket. It follows

that I currently uphold the estate of Mrs A's complaint and Aviva should now put things right."

I asked both parties to let me have any comments, or additional evidence, in response to my provisional decision.

Aviva did not respond by the deadline set.

Miss P responded on 31 January 2024 and made the following points. She said:

- She'd like to reiterate that she had to chase Aviva at the start of March 2023 just to get a reply from them. Aviva didn't call her back when it said it would and she had to chase them up about them needing a death certificate.
- Even the day after the funeral she was told by Aviva that she would receive the full amount of money, but again she had to chase them up.
- It is coming up to a year and it still hasn't been resolved with Aviva. She said it's been mentally draining for her, and the family and it needs to be resolved.

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.

I have read carefully the additional comments made by Miss P. I acknowledge what she is saying and empathise with her, in what clearly has been a stressful time for her and her family, as they have sought resolution to the issues, she has raised in the estate of Mrs A's complaint.

Aviva didn't respond to my provisional decision and Miss P reiterated some of the frustrations she has faced in her complaint rather than introduce any new points at this stage. So, neither party has anything new to add that I feel I need to comment on or that will change the outcome of this complaint. So, because of this, I don't see any reason to depart from my findings within my provisional decision. So, I uphold the estate of Mrs A's complaint and Aviva now needs to put things right.

Putting things right

To put things right, I think it would have been fair and reasonable once it had realised its mistakes for Aviva to have paid the estate of Mrs A's funeral costs. Aviva paid the sum assured for the first policy to the estate on 23 March 2023, after it had established that the second policy was not in existence. It was at this point that all parties were aware of what had happened. I think Aviva ought to have put things right from this date.

I am minded to conclude that Aviva should pay the difference between what the funeral cost the estate of Mrs A, this being £4070, and the sum assured amount Aviva has already paid on the first policy, this being £2065.

Aviva should pay interest at 8% simple per annum on this amount. Interest should be added from the date I think Aviva should have covered the funeral costs, this being 23 March 2023, to the date of settlement.

I can see that Aviva has paid £250 compensation to Mr A, one of the executors of the estate of Mrs A. It said this is because it provided incorrect information, caused a delay in paying the sum assured and for raising expectations. I can see that Miss A and Mr A have suffered distress and inconvenience by having to deal with the issues I have already mentioned in my findings. I can't award a payment to either of them for this, as they are not the complainants, The estate of Mrs A is. But in this case, I can see that Aviva has made a payment for distress and inconvenience already and this has been paid to Mr A. I won't be asking Aviva to do anything further here, for the reason I have just given.

My final decision

My final decision is that I uphold the estate of Mrs A's complaint and I direct Aviva Life and Pensions UK Limited to put things right as I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs A to accept or reject my decision before 1 March 2024.

Mark Richardson
Ombudsman