

The complaint

Mr P has complained that Monument Life Insurance Dac has cancelled his mortgage payment protection insurance (PPI) policy.

What happened

Monument wrote to Mr P on 23 March 2023 informing him that the policy would be cancelled on 30 June 2023.

Our investigator didn't uphold the complaint because Monument had made a business decision to withdraw this policy and had provided Mr P with sufficient notice of the cancellation, in line with the policy terms and conditions.

Mr P 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.

Monument stopped making the policy available to new customers in 2012 and so it was only held by existing customers who had taken it out before then and who had continued to renew it on an annual basis. Monument has now taken the decision to withdraw this product altogether.

Monument is entitled to take a view on whether it wishes to continue to offer certain products and this service would not normally involve itself in the commercial decisions of a business in deciding to offer or withdraw particular products. I'm only looking at whether Monument has acted fairly and reasonably in the way that it has undertaken the cancellation.

As well as the policy term that our investigator had quoted, the policy also states:

'We can cancel by giving 90 days' notice in writing.'

Based on the available evidence, I'm satisfied that Monument provided the level of notice that it was required to.

There was some confusion because Mr P was also sent an annual review letter on 28 March 2023, which seemed to confirm that the policy was continuing.

Mr P sought clarification about this and Monument subsequently apologised for the confusion caused. It said that the annual review letter was automatically generated by its systems around the same time each year. However, it confirmed that the decision to cancel the policy stood and that cover would end on 30 June 2023.

Mr P believes that Monarch later reinstated the policy. He thinks this because of communication he had with it about making an unemployment claim. He contacted Monument to let it know that his employment contract would be coming to an end on 30 June 2023.

The cancellation notification letter dated 23 March 2023 has a section about claims and sets out that new claims will be considered if the event causing the claim happened before the policy end date. As Mr P had initially told Monument that his employment would be ending on 30 June 2023, it seems it was willing to consider covering the claim, subject to Mr P providing the necessary evidence.

But potentially accepting a claim for unemployment that started before the policy end date is not the same as agreeing that the policy would stay live. And I can see that in a letter sent to Mr P on 19 September 2023 it was explained that, because his work contract was extended until the end of July 2023, the claim couldn't be accepted because the policy ended on 30 June 2023.

From the information I've seen, it looks as if Mr P told Monument on 3 July 2023 that his work contract had been extended until 31 July 2023. Therefore, at that point Monument should probably have reiterated that he wouldn't be covered because any period of unemployment would be after the policy end date. Instead, it contacted him three times in July 2023 in relation to the potential claim. As it turns out, his claim wouldn't have been accepted anyway as he was only unemployed for six days rather than the minimum of 30 days required under the policy terms.

I haven't seen any evidence that Mr P was told that the policy would remain live. I consider that Monument's messaging about when the policy would end was consistent. So, whilst the correspondence sent to him in July 2023 might have led him to believe the claim was still being considered, despite the policy having come to an end, I can't see that he had any reason to think that the policy itself had been reinstated.

Mr P says that he was never advised that the policy wouldn't cover the full term of the mortgage. But I haven't seen any evidence that promises were made in that respect. And the policy terms are clear that Monument can cancel the policy with sufficient notice.

Mr P's mortgage runs until next year. I can understand why he is disappointed that the policy has ended in advance of that. But Monument did provide information about how he can source new cover.

Monument hasn't singled Mr P out. It has cancelled the policies of all the remaining policyholders, in accordance with the terms and conditions. As it has applied the withdrawal across all of its customers, I'm unable to conclude that it has treated him unfairly.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 March 2024.

Carole Clark
Ombudsman