

The complaint

Mr D and Mrs S complain that St Andrew's Insurance Plc won't refund premiums paid towards their insurance policy after their mortgage ended.

What happened

To summarise, in 2008, Mr D and Mrs S took out Total Mortgage Protection through Halifax. Their plan provided mortgage protection, life and critical illness cover.

In May 2023, Mr D contacted St Andrew's about the cover. The mortgage had previously been redeemed, but Mr D realised he was still paying premiums. He wanted to cancel the policy and receive a refund of the premiums paid after the mortgage had finished.

Mr D and Mrs S complained. St Andrew's said it was notified that the mortgage had closed in March 2023. The same day it sent a letter to Mrs S explaining that cover would continue until the original plan end date and gave details of how to cancel the cover, if required. As no response was received cover continued. It referred to the policy terms which explained that cover would not end automatically if a mortgage ended. It concluded the policy had been correctly handled and no refund was due.

Mr D and Mrs S were unhappy about this decision and came to the Financial Ombudsman Service. They said they'd never received the letter and were told there'd be nothing more to pay when the mortgage ended. An investigator looked into things but didn't uphold the complaint. She was satisfied St Andrew's had acted fairly, within the terms of the policy.

Mr D and Mrs S disagreed, so the complaint has come to me for a final 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.

Having done so, I'm not upholding this complaint. I know this will be unwelcome news for Mr D and Mrs S and I'm sorry about that. A summary of my reasons is given below, focusing on the key points and evidence I consider material to my decision. So, if I've not referred to something in particular, it's not because I haven't thought about it. Rather, I don't consider it changes the outcome of the complaint.

I've looked at the policy terms. I can see that section 15, *Ending your plan and changing your cover*, explains the plan will not automatically end when the mortgage does and that the policy holder would need to contact the business to cancel cover.

I appreciate Mr D and Mrs S say they were told there was nothing more to pay when their mortgage closed. But I'm satisfied St Andrew's responded to notification of the mortgage closure by sending a letter to Mr D and Mrs S's address, explaining that cover would continue. I've seen a copy of the letter and screenshot evidence to corroborate that it was sent in early March 2023. The letter explains what to do if the cover is no longer required.

I accept Mr D and Mrs S say they never received the letter. But I don't think this means St Andrew's should refund them premiums paid after the mortgage ended, because I can't see that St Andrew's has done anything wrong here. It was under no obligation to cancel the plan when notified the mortgage had ended. But did act to inform Mr D and Mrs S about the continuing cover and cancellation steps, if required. So I'm not asking St Andrew's to take any further action in respect of this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs S to accept or reject my decision before 29 March 2024.

Jo Chilvers
Ombudsman