

## **The complaint**

Mrs T has complained that St Andrew's Insurance Plc (St Andrew's) unfairly cancelled her cancer cover.

## **What happened**

Mrs T bought a policy in 2000 which provided cancer cover for a monthly premium. Mrs T paid this until 2023 when St Andrew's wrote to confirm the policy was being cancelled.

Mrs T complained and St Andrew's offered £250 compensation for sending the cancellation letters to an incorrect address. Mrs T wanted a full refund of premiums plus interest but St Andrew's didn't agree and so she referred her complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint and found that St Andrew's had cancelled the policy in line with the terms and conditions which allowed either side to cancel with a 30-day notice period.

Mrs T remained unhappy and in summary, says the policy was cancelled without just cause and she is now unable to get a similar policy.

So the case has been passed 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 don't think this complaint should be upheld. I'll explain why.

- I have carefully considered everything Mrs T has said in detail. But my decision will focus on what is key to my conclusions.
- The policy says: "We may cancel insurance cover under this policy by giving not less than 30 days written notice to you at your last known address."
- St Andrew's sent a letter to Mrs T in February 2023 to confirm they were no longer offering this cover to any of their customers, and it would be cancelled in May 2023. Mrs T didn't receive this letter as St Andrew's had sent it to an incorrect address. She realised her direct debits had stopped so she contacted St Andrew's when she was told the policy was cancelled.
- The policy confirms it is a rolling monthly contract as long as Mrs T pays the premium. It also confirms cover up to the age of 65, but this doesn't mean this is guaranteed - that's the maximum age and not the agreed cover.
- Mrs T would like all of her premiums refunded but I don't think that's fair as St

Andrew's has been on risk of a valid claim. If an insurer has commenced to bear a risk, the premium paid is not returnable. Furthermore, the terms set out premiums are only refundable in specific circumstances, but these don't apply to Mrs T.

- St Andrew's offered Mrs T £250 compensation for failing to send the cancellation letters to the correct address. I think this is fair and reasonable to account for the shock and disappointment Mrs T felt when she realised that her policy had been cancelled and having to contact St Andrew's to find this out. If this hasn't already been paid, Mrs T should contact St Andrew's to arrange payment.
- Mrs T says she won't now be able to find a similar policy due to her age and health conditions. And so she thinks a refund of premiums would be fair. But for all the reasons set out above, I don't think that would be fair. Mrs T may not be able to get another policy but she was covered for a valid claim from 2000 up until the policy was cancelled in 2023. So I can't fairly ask St Andrew's to refund the premiums paid for the time it was on risk.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 22 April 2024.

Shamaila Hussain  
**Ombudsman**