

The complaint

Mr and Mrs F complain The Royal London Mutual Insurance Society Limited failed to cancel their policies, and made the process to cancel too difficult.

A third party has brought this complaint on behalf of Mr and Mrs F, but for ease I will refer to all submissions as having been made by the consumers themselves.

What happened

Mr and Mrs F held income protection and life and critical illness policies with Royal London, which they took out in 2009. Their cover also included sickness payment protection.

In 2011 Mrs F cancelled her income protection cover.

In August 2015 Mrs F contacted Royal London and requested cancellation of the joint life and critical illness policy for herself and Mr F. Royal London responded advising it could not accept a cancellation request by email, and asked that this was requested by both policyholders, via phone or signed letter.

Mr and Mrs F called Royal London in October 2015 to cancel their life and critical illness cover, and this was actioned.

Royal London said Mrs F also got in touch by phone in 2016 and 2017. And said its records showed these calls were relating to updating bank details and checking the cover in place. In addition there was record of a call from an adviser acting on behalf of Mr and Mrs F, who raised queries about the cover in place and the process for cancellation, if this was what Mr and Mrs F decided to do.

In 2018 Mrs F wrote to Royal London asking why her payment cover for sickness hadn't already been cancelled. She said she had expected this to be cancelled in 2011 when she cancelled her income protection cover. And she asked for a refund of the premiums she'd been charged since that time.

Royal London said Mrs F hadn't requested cancellation of her sickness payment protection when she cancelled her other cover in 2011 and 2015, so it had remained in place. And it asked her to make contact by phone to confirm she wished to cancel the sickness payment cover.

In 2023 an IFA acting on behalf of Mr and Mrs F raised queries with Royal London about the cover in place, and asked about the premium refund claim raised in 2018. And Mr F made a claim against his income protection policy following an injury.

In October 2023 Mr and Mrs F complained to Royal London about the failure to cancel their cover and requested a refund of premiums.

Royal London responded to the complaint. It said it had never received a request to cancel Mr R's income protection policy and he had made a claim against it in 2023. Also, it said Mrs

F cancelled her income protection cover in 2011, but did not request to cancel the joint life and critical illness cover until 2015. Royal London said it hadn't received a request to cancel Mrs F's sickness payment cover at that time, but accepted the cover no longer had any benefit to her after all of her other cover had been cancelled. So it said it would refund the premiums paid for the sickness payment cover, back to November 2015, with interest. It calculated this to be around £140. And it offered to pay just over £100 to compensate for the inconvenience caused – in total £250.

Unhappy with the response, Mr and Mrs F brought their complaint to this service.

An investigator here looked into what had happened and said they thought Royal London had done enough to put things right.

Royal London made no comment on the investigator's view. However Mr and Mrs F disagreed. They said they thought the complaint should be upheld and asked for a decision from an Ombudsman.

And so, the case has been passed to me to decide.

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.

Mr and Mrs F's representative has mentioned the FCA's Consumer Duty. But as the events being complained about happened prior to its introduction, I'm unable to consider the Consumer Duty as part of this complaint. Instead I've considered the industry rules and guidance which applied at the time.

Having done so, I don't think this complaint is one which should be upheld. And I'll explain why.

- I've not seen any evidence which persuades me that Mr F requested cancellation of his income protection policy and sickness payment protection cover prior to 2023 when the complaint was raised. I'm satisfied the cancellation requests Royal London received related to the joint life cover policy and Mrs F's sole policies. And I'm satisfied the life and critical illness policy was correctly cancelled once Royal London received the cancellation request from both policyholders by phone.

I've not been persuaded that Mr F believed his income protection cover had already been cancelled in the past, as he attempted to make against the policy when he sustained an injury in 2023.

- I don't think Royal London made it difficult for Mr and Mrs F to cancel their policies. I think it's reasonable that an insurer wouldn't accept a cancellation request for a joint policy from one policyholder only. And that it wouldn't accept this via email, as this is generally not seen to be a secure method of communication and it can be difficult to verify the request is authentic. I think it's reasonable Royal London said it could accept a letter signed by both policyholders, or a call from both policyholders, where it could complete some verification.
- Mrs F cancelled her income protection cover in 2011. I don't think Royal London needed to automatically cancel her sickness payment cover at that time. I say this because the cover continued to be of benefit to her in relation to her life and critical illness policy held jointly with Mr F.

- I'm satisfied Royal London should have cancelled Mrs F's sickness payment cover in 2015, when she cancelled her joint life and critical illness policy. Once that cover was cancelled, the sickness payment cover no longer provided any benefit.

Royal London accepts this, and it offered to refund all of the sickness payment cover premiums back to the date the life cover was cancelled. It has added interest and an additional payment of just over £100, making £250 in total. I'm satisfied this puts Mrs F back in the position she would have been in, had Royal London automatically cancelled the sickness payment cover in 2015. And I think the additional payment of around £100 adequately recognises the inconvenience caused by Royal London having not dealt with this sooner.

I'm aware that Royal London has made the payment of £250 and this has been received by Mrs F. So I'm satisfied Royal London has done enough to put things right and doesn't need to do anything more.

My final decision

For the reasons I've given, it's my final decision that I do not uphold this complaint. And I make no award against The Royal London Mutual Insurance Society Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 19 July 2024.

Gemma Warner
Ombudsman