

The complaint

Mr and Mrs L have complained that Pinnacle Insurance Plc has cancelled their mortgage payment protection insurance (PPI) policy.

What happened

Pinnacle wrote to Mr and Mrs L in September 2023 informing them that the policy would be cancelled on 31 January 2024.

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

Mr and Mrs L disagree 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.

Pinnacle has taken a decision to withdraw its mortgage PPI product altogether. So, it doesn't just affect Mr and Mrs L, it affects all other existing policyholders.

Pinnacle 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 Pinnacle has acted fairly and reasonably in the way that it has undertaken the cancellation.

Under the terms of the policy, it states that Pinnacle must give 90 days' advance notice of the termination of the policy. Based on the available evidence, I'm satisfied that it did this.

Mr L had an expectation that the policy would run until he reached the age of 65 in November 2024, after which point there would have been about another year left to run on the mortgage. As a result of the PPI ending, Mr L says they have had no choice but to pay off the mortgage early, which has caused financial hardship.

I appreciate this situation has caused upset for Mr and Mrs L and it is understandable that they had concerns about their mortgage repayments no longer being covered. But Pinnacle did provide information about sourcing new cover.

Based on the available evidence, I'm unable to conclude that Pinnacle has done anything wrong. The policy terms explain that it can cancel the cover as long as it gives 90 days' notice, which is what it did. Whilst I know it will be disappointing to Mr and Mrs L, I'm unable to conclude that they were treated 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 Mrs L and Mr L to accept or reject my decision before 29 May 2024.

Carole Clark
Ombudsman