

The complaint

Mr C has complained that Vitality Corporate Services Limited trading as VitalityLife ('Vitality') refused to extend his cover after initially agreeing to do so.

What happened

Mr C had a life insurance policy which was due to expire in January 2023. Vitality wrote to Mr C in December 2022 to confirm the plan was going to expire.

Mr C asked for his plan to be extended. Mr C complained about delays and the length of time it was taking to confirm cover. Vitality had initially agreed to extend his cover but sent confusing information and various quotes. It then said it couldn't extend Mr C's cover due to his medical conditions. Vitality apologised, paid Mr C a total of £150 compensation and sent him a food hamper for the distress and inconvenience caused to him.

Unhappy, Mr C referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint. He found that Vitality was entitled to decide not to offer a plan but it had delayed in providing correct guidance and a decision to Mr C. It had already paid £150 compensation and a food hamper but our investigator didn't think this was enough. So he recommended a further £100 compensation.

Vitality agreed but Mr C remained unhappy. In summary, he said he sent his medical information to Vitality in December 2022 and he was offered cover, which he accepted. He would like Vitality to honour its original offer to extend his cover.

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 agree that this complaint should be upheld, in part. I'll explain why.

- The background to this matter is well known to both parties and has been set out by the investigator in some detail. I've carefully considered everything even if I don't explicitly refer to something Mr C has said in my decision. This is because I will instead summarise and focus on what I consider to be key to my conclusions.
- As explained by the investigator, Vitality is entitled to decide the cost of a policy and whether it is willing to extend or offer cover. Vitality has provided confidential information from its underwriter to show that it wouldn't extend a policy for someone in Mr C's position due to his medical conditions. I can't share this with Mr C as it is commercially sensitive but I can assure him that I have checked it. An insurer is entitled to decide the level of risk it is prepared to take and I cannot interfere with this. So I cannot direct Vitality to extend Mr C's plan.

- Vitality accepts that it provided Mr C with incorrect information and delayed in confirming that it couldn't extend his plan. This meant it falsely raised Mr C's expectations which would have been frustrating and disappointing when Vitality told Mr C that it couldn't extend his policy.
- I can see Mr C was provided with various quotes between December 2022 and March 2023, incorrect information and an expectation that his cover would be confirmed and extended. It has already paid £150 compensation and sent a food hamper. I agree an additional £100 compensation is appropriate taking into account the length of time Mr C had to wait for Vitality to provide a correct decision and the inconvenience of having to chase responses and a decision.

My final decision

For the reasons set out above, I uphold this complaint, in part, and direct Vitality Corporate Services Limited trading as VitalityLife to pay Mr C an additional £100 compensation.

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

Shamaila Hussain
Ombudsman