

The complaint

Ms R complains, through her representative, about the service she's received from Scottish Widows Limited. She's unhappy with incorrect information they've given her about a reviewable whole of life policy she holds with them. For ease of reading I will only refer to Ms R.

What happened

Ms R took out the policy in 1996, it had a sum assured of £41,200 for monthly premiums of £20. The policy was reviewable after the first five years and every five years thereafter until Ms R reached the age of 70 when it would be reviewed yearly. The reviews in 2001 and 2006 passed but no reviews were completed after this until 2021.

The outcome of the 2021 policy review was that Ms R needed to increase her monthly premiums to £43 for a sum assured of £13,429. Ms R contacted SW in June 2023 to discuss the policy and was incorrectly told that the sum assured was £175. SW then gave her incorrect information in July 2023 when they sent her a review letter stating the policy had no sum assured.

Ms R complained to SW about the poor service she'd received, SW upheld her complaint, offered her compensation and said they would update the account so she would pay premiums of £43 for a sum assured of £13,429. However, this wasn't put in place and Ms R asked for our help.

The complaint was considered by one of our investigators who thought it should be upheld. The investigator asked SW to pay Ms R £500 in compensation for the distress and inconvenience she'd suffered and also asked them to update the policy to reflect what they'd previously told Ms R – that she would pay monthly premiums of £43 for a sum assured of £13,429.

SW accepted the investigator's findings, but Ms R didn't accept. This was because she didn't think the compensation being offered reflected the level of distress she'd suffered. She explained that she'd been suffering from ill health and had been in hospital, so to be told the policy wasn't valid after she'd paid into it for over 25 years had caused a great deal of stress. She also pointed to the lack of compassion shown by SW and the numerous calls and emails she had to make to try and resolve the issue.

As there's been no agreement the complaint has been passed to me to make 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.

Ms R has made many points to support her complaint, which I have read and considered. I fully appreciate that she rightly has strong feelings about this matter. I hope she will not take it as a discourtesy that my findings focus on what I consider to be the central issues. The

purpose of my decision is not to address every point raised in detail, but to set out my conclusions and reasons for reaching them.

Where something has gone wrong, we look at the impact it's had on a consumer and whether what the business has done to put things right is fair and reasonable. So, in this decision, I've considered the impact of SW's errors.

There's no dispute that the level of service SW have provided Ms R with is poor. They have misinformed her on a number of occasions and not implemented the resolution they offered Ms R. However, they have now accepted the investigator's findings, so my role is to determine if the outcome the investigator suggested is fair and reasonable.

Firstly SW need to ensure the resolution they promised Ms R is in place - Ms R's policy should reflect the correct sum assured and monthly premium. The second part of the resolution relates to the distress and inconvenience Ms R has suffered. She has highlighted the stress caused by the impact of SW's errors during a period when she was suffering from poor health and was in hospital. I do not doubt her testimony and it is clear that she has been caused distress and inconvenience by SW's errors and the subsequent action that needed to be taken to put things right.

Having considered everything, I think that SW caused Ms R distress and inconvenience which has unfairly impacted her. But I think that the compensation suggested by the investigator falls within the bracket for awards this service makes for situations where the impact of a business's mistake has caused considerable distress and is in line what I would have awarded, so I won't be asking SW to increase it. I appreciate that Ms R thinks their offer doesn't reflect the level of distress she's suffered, but in my opinion it is fair and reasonable compensation for all the errors they've made.

Putting things right

SW should ensure that Ms R's policy is correctly set up - it should have a sum assured of £13,429 and monthly premiums of £43. They should also pay Ms R £500 in total (taking into account any payments they've already made) for the distress and inconvenience their errors have caused her.

My final decision

For the reasons I've above, I uphold this complaint. I require Scottish Widows Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 17 October 2024.

Marc Purnell
Ombudsman