

The complaint

Mr D is unhappy the Aviva Life & Pensions UK Limited declined a claim he made on his life insurance policy.

What happened

Mr D has a life insurance policy which offers a terminal illness benefit. Mr D claimed on the policy following a diagnosis of cancer.

Aviva declined to pay the claim in full as Mr D's life expectancy was greater than 12 months. They offered to make a settlement, as a gesture of goodwill, of around £20, 000. Mr D didn't think this was fair and complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold Mr D's complaint. She thought Aviva had acted fairly in all the circumstances. Mr D didn't agree and made further comments in support of his complaint being upheld. Aviva further reviewed the complaint and offered £500 compensation for delays and communication issues. Mr D felt this was insulting and asked an ombudsman to review his complaint. So, the complaint was 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.

I'm sorry to read of the circumstances of Mr D's complaint. I appreciate that it has most likely been a difficult time and I have a lot of empathy with the circumstances he's described.

The relevant rules and industry guidelines say that Aviva has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions say:

Terminal illness means an advanced or rapidly progressing incurable illness where an attending medical Consultant and our Chief Medical Officer believe the life assured's life expectancy to be no greater than 12 months.

I'm not upholding this complaint because:

- Mr D's consultant stated that Mr D's life expectancy was around 12 months. Aviva referred the case to their Chief Medical Officer who thought that the prognosis was more positive and that Mr D's life expectancy was greater than 12 months.
- In line with the policy terms, I think it was reasonable for Aviva to decline to pay the full benefit. That's clearly set out in the policy documentation.
- Aviva did offer to pay Mr D around £20 000 as an advance payment. That's not

something they were required to do and I think that was fair in the circumstances. They've also explained that they will consider any further evidence about the prognosis if Mr D's circumstances change. I think that was reasonable.

- There were some delays in handling the claim and Mr D was also given the wrong information about what he was covered for under the policy. I can't say why Mr D's claim form wasn't actioned when it should have been but I don't think that's central to the outcome of the complaint.
- I've thought carefully about the impact on Mr D of the delays and being given the wrong information. It's clear that this caused him to worry at an already difficult time and he also thought that he may not be able claim. However, I think £500 compensation fairly reflects the impact on Mr D.

Putting things right

I'm partly upholding this complaint but I think the settlement of £500 and the advance payment offered is fair and reasonable. Aviva should make these payments if they haven't done so already.

My final decision

I'm partly upholding Mr D's complaint and direct Aviva Life & Pensions UK Limited to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 August 2024.

Anna Wilshaw
Ombudsman