

The complaint

Mr L has complained that he has been overpaying on a policy underwritten by Aviva Life & Pensions UK Limited.

What happened

Mr L took out a life insurance policy in July 2005. His premiums were £365.90 per month.

In 2023, Mr L said he had been advised by a friend that he had been overpaying on his policy since 2005 and raised a complaint.

Aviva looked into the complaint but didn't uphold it. So Mr L referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Aviva had incorrectly calculated the premiums. And he said the £300 compensation offered by Aviva for failing to respond to Mr L's communications was reasonable.

Mr L disagreed and asked for an Ombudsman's decision. 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.

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

I have carefully considered everything Mr L has said but in my decision, I will focus on what I consider to be key to my conclusions.

The Financial Conduct Authority doesn't regulate on the prices insurers charge or the methods an insurer might use to calculate a price. So when looking at complaints about insurance premiums, I can't tell a business how it should price its policies or interfere in the way it calculates risk. What I can do is check whether the calculations are correct, and that Aviva has treated Mr L in the same way as another policyholder in the same circumstances as him. This means that Mr L may have been able to get a policy cheaper elsewhere but that doesn't necessarily mean Aviva has done anything wrong - as long as Aviva hasn't treated Mr L unfairly or differently to its other policyholders in similar circumstances.

Aviva has provided me with confidential information from its underwriter to show how Mr L's price was calculated and the loading that was applied. This is confidential and commercially sensitive information which I can't share with Mr L. Our investigator has already outlined the various factors which affected the price. Based on all the available information, I am satisfied Mr L wasn't treated differently to another policyholder in the same circumstances. So I can't say Aviva has treated Mr L unfairly.

Aviva has also accepted that it didn't respond to Mr L's correspondence when he was

waiting for a response to his complaint. And for this it has offered £300 compensation which I think is fair and reasonable in all the circumstances of this case.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 9 September 2024.

Shamaila Hussain
Ombudsman