

The complaint

Mrs Q is unhappy with Countrywide Assured Plc (Countrywide) with how the end date on her income protection policy has been set up.

Mrs Q is being represented on this complaint by her husband, Mr Q. But I'll refer to Mrs Q throughout this decision.

Any reference to Countrywide includes all its agents.

What happened

In January 1994, Mrs Q took out an income protection policy. The policy was set up to end at age 60 which was the state retirement age for women at the time.

Mrs Q says when the state retirement age increased following legislation changes, Countrywide didn't inform her that her cover end date wouldn't be amended to reflect the statutory changes. She believed the policy would track legislation. And she believed the policy terms indicated the policy cover would change in line with the law. She says Countrywide should therefore extend the policy cover to reflect her current state retirement age.

Unhappy with the policy end date, Mrs Q made a complaint to Countrywide. She said the intention of taking out the policy was always for it to provide cover until she reached the state retirement age. She expected the policy to stay in line with any state legislation changes or be informed by Countrywide if no changes were being made.

Countrywide did not respond to Mrs Q's complaint but sent a holding letter only.

Mrs Q brought the complaint to this service. Our investigator upheld the complaint in part. She didn't think it was fair or reasonable for Countrywide to extend the policy cover to Mrs Q's current state retirement age.

Unhappy with the investigator's findings, Mrs Q asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

In summary, Mrs Q says:

- They had detailed conversations with the adviser, and she recommended the maximum retirement age of 60, or retirement, if earlier and there was no point of increasing that date as there wouldn't be cover.
- Financial advisers would've been aware of the change in retirement since at least 1993 and they should've been told of the changes and the implications of a change in retirement dates.
- The Financial Conduct Authority (FCA) should have done something to make insurers responsible to their policyholders on such changes.

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.

It's important to point out that we're an informal dispute resolution service, set up as a free alternative to the courts for consumers. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue or point made in turn. This isn't intended as a discourtesy to Mrs Q. Rather it reflects the informal nature of our service, its remit and my role in it.

Countrywide has been almost silent in providing its submissions to us. I note that a final response wasn't provided to Mrs Q and despite reminders to Countrywide for providing its submissions to us, we have received very little information.

My role is to look at the evidence that's been made available to me and make a decision that's fair and reasonable based on that evidence.

The key issues I need to decide here is whether the policy terms indicated the policy cover would change in line with the law. And whether the policy was set up to track legislation.

I've started by looking at the policy schedule and the terms and conditions that Mrs Q provided.

The maturity date in the policy schedule is stated as:

'The 60th birthday or the normal retirement date of the Person Insured, if earlier.'

The maturity date on the policy was fixed to the age of 60, which was Mrs Q's retirement date at the time the policy was taken out in 1994. Or on the normal retirement date if that was earlier.

I've considered the policy terms and conditions document to see if it indicated the policy cover would change in line with changes in the law. I can't see that it does and while I appreciate that Mrs Q believes this to be the case, there's nothing in the terms and conditions that confirms this.

I understand that additional options were included into the policy such as indexation and automatic increases but again, there's no evidence that the policy would change in line with the changes in law or the policy was set up to track the legislation. I'm not persuaded that Countrywide should have tracked the policy in line with the changes that happened on retirement dates as this isn't something it's said it would do.

Income protection policies are designed to have an end date which is fixed. Policies aren't reviewed with a view to changing that end date and bearing in mind that at the time in 1994, when Mrs Q took the policy out, the state retirement age for women was 60, I don't think it was unfair or unreasonable to have that as the end date or maturity date of the policy.

I understand that Mrs Q believed her policy to be tracked and I don't doubt that she did believe this to be the case. But I can only base my decision on the evidence available and far as I can see, there's nothing to suggest this is how the policy was set up.

I don't agree that the Countrywide should have warned Mrs Q of the implications of changes to the retirement dates. This isn't something it said it would do within the policy terms and it would therefore be difficult to put the onus on Countrywide. Information about proposed

changes to retirement dates was in the 1993 White Paper. The Government set out its intentions at the time to equalise men and women's state pension age to 65. It wasn't until 2011 that the Government then set out how to communicate those changes. This was for the government bodies that it related to, not necessarily for insurers. All of this information was in the public domain for everyone to see – including insurers. But I don't agree there was an obligation on insurers to review or amend income protection policies as a result. I'm satisfied Countrywide had no responsibility to ensure the cover it provided to Mrs Q had to change with the law. And there's nothing in the terms and conditions to say Countrywide was expected to do this and that's not unreasonable.

Mrs Q has said the Financial Conduct Authority (FCA) should have done something to make insurers responsible to their policyholders on such changes. I appreciate her comments, but I can't comment on what the FCA should have done as we can only look at the individual merits of a case.

Ultimately, Mrs Q took out a policy which would take her up to her retirement age. This was age 60 at the time in 1994 and it was what she asked for. So, the policy was set up as she'd wanted. I understand this has changed over time due to the changes that have been made. And she is now left with a gap between the policy ending and the date she will retire. But, taking everything into account, I'm not persuaded it's something Countrywide should be responsible for. And I can't say that that policy set up to mature at age 60 was unreasonable based on the circumstances at the time.

Overall, I'm not persuaded that Countrywide should extend the policy to now match Mrs Q's current state retirement age.

In terms of the £500 compensation recommended by our investigator, I've considered this in terms of loss of expectation. To expand on this, the service Countrywide has provided to Mrs Q, in relation to this complaint, has been poor. Mrs Q has received one holding letter when she made the complaint, and a final response has never been issued. And when the complaint was referred to our service, we have had no responses or submissions from Countrywide. As such, the service provided hasn't been to the standard expected and therefore I agree that £500 is fair and reasonable compensation for what's happened.

Putting things right

I require Countrywide to put things right by:

- Paying Mrs Q £500 compensation for the distress and inconvenience caused in recognition of its failings in the service provided to her.

It must do this within 28 days of the date on which we tell it Mrs Q accepts my final decision. If it takes longer, Countrywide must give Mrs Q a meaningful update setting out the timeframe when it will settle the complaint.

My final decision

For the reasons given above, I partly uphold Mrs Q's complaint about Countrywide Assured Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Q to accept or reject my decision before 26 September 2024.

Nimisha Radia

Ombudsman