

The complaint

Mrs S complained about Aviva Life & Pensions UK Limited (Aviva). She said Aviva failed to contact her to let her know it hadn't received a form from her, that she sent in to reduce the premium she paid on her life assurance policy. She said because of this, she has paid more than she wanted to. She would like Aviva to repay her overpayment and compensate her for the distress and inconvenience she said it has caused.

Mrs S has been represented throughout her complaint by her husband, Mr S. I have referred to Mrs S at all times for ease of reading and because she is the complainant, even though Mr S as the representative has put forward arguments on her behalf.

What happened

On 12 August 1996, Mrs S took out a whole of life assurance policy with Aviva (previously AXA Equity & Law). On 16 September 2022 she called it to try and reduce the amount she paid, from £175 to £50 a month. Aviva sent out a form for her to complete, sign and send back on 3 October 2022. Mrs S said she completed the form and posted it back the next day.

Mrs S said she went through her accounts towards the end of 2023 and noticed she was still paying a premium of £175 and not the reduced amount of £50. She said her husband called Aviva and asked why it hadn't reduced her premium as she had requested, and it said it hadn't received the signed form that she sent to it.

Mrs S said her complaint is that Aviva ought to have contacted her about not receiving the signed form. She said it knew she wanted to reduce the premium, but it took the higher amount for another 13 months rather than contact her. She said she would like Aviva to return the overpayments she has made and would like it to compensate her for the trouble it has caused. She complained to Aviva about this.

Aviva said in response that it did not receive the application form back from Mrs S. It said it can only change the premium if it receives the form back signed. It said after it sent the form, it didn't then hear back from Mrs S for 12 months. It said as it didn't receive the form back, it can't refund any premiums as Mrs S has still been paying for and receiving her original amount of cover.

Mrs S was not happy with Aviva's response and referred her complaint to our service.

An investigator looked into Mrs S's complaint. He said he didn't think Aviva had done anything wrong by not relying on a phone call to change the premium of the policy. He said the form probably didn't arrive because of a fault in the postal system. He said this was unfortunate, but the blame cannot be placed on Aviva for it not receiving the form.

The investigator said Mrs S didn't chase up Aviva for 13 months, and the onus was on her to follow this up. He said a key factor was that a year had passed before Mrs S chased things with Aviva. He said, this would have suggested to Aviva that Mrs S had changed her mind.

The investigator said it was not unreasonable in the circumstances for Aviva to continue to take the premiums as it had originally agreed to. He didn't uphold Mrs S's complaint.

Mrs S was not in agreement with the investigator's view. Mrs S said a simple email, letter or phone call saying it had not received the form back would have confirmed that she hadn't changed her mind, that the form had got lost and that it needed to be resent. She said this is all that was needed. She also added that it could implement a system to automatically inform their customers if it does not receive forms or instructions, after a certain period of time.

Because the parties are not in agreement, Mrs S's complaint has been passed to me, an ombudsman, to look into.

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 have independently reviewed Mrs S's complaint and have arrived at the same outcome as the investigator, for the same reasons. I will explain why.

The crux of Mrs S's complaint is that Aviva should have contacted her, to let her know it had not received the completed application form for her to pay less on her monthly premium, for her whole of life policy.

To recap: Mrs S called Aviva to discuss reducing the monthly premium amount from £175 to £50. It was agreed Aviva would send her an application and she said she sent it back, completed, the following day but Aviva said it didn't receive it.

I have looked into this and can see Mrs S said she sent it, and Aviva said it didn't receive it. I have no reason to disbelieve either party and it is most likely in these circumstances that the completed form went astray in the postal system. I agree with the investigator here: I don't think it would be fair of me to hold Aviva responsible for the form going missing. So, it is an unfortunate situation. Mrs S wanted to reduce her premium and in good faith, sent the completed application form back. And Aviva would have presumably processed her request if it had received the form. But this didn't happen.

Instead, Aviva was waiting for Mrs S's instruction before taking any action and because this didn't arrive, it continued with the existing contractual arrangement that was in place between the parties, this being Mrs S paying a monthly premium of £175. I don't think it was unreasonable behaviour for it to continue to do this, seen as this was what was in place at the time, and would continue to be until Aviva received a new instruction from Mrs S. And Mrs S sent the forms thinking it would be taken care of by Aviva, not knowing that her form had been misplaced in transit.

I do acknowledge the comments made by Mrs S about what Aviva could have done once some time had passed from her initial phone call where she requested a reduction in the monthly premium. I understand what is being said here. I don't disagree that it would have been better service from Aviva, if it had chased up things with her following the phone call, and sent a reminder after a period of time, when the forms were not received.

But just because I think it would have been better service for it to chase up things with Mrs S about the forms, this isn't to say I think Aviva were *required* to do this, or that it *should* have done. Aviva has told our service what it has done in the circumstances of Mrs S's complaint. It said it explained during the initial call to Mrs S what was needed, then sent the

forms out to Mrs S. It said it was then on hand to deal with any enquiries or issues that she may have had and needed to contact them about.

I don't think Aviva's actions in the circumstances were unreasonable and I don't think it has made any mistakes here. It was its policy to accept only written instructions for changes such as the amount paid for a monthly premium payment. It didn't say it would chase anything up with Mrs S after a period of time if it didn't receive them, and it didn't set any expectations around this either.

On this occasion, it didn't receive the instructions from Mrs S and so didn't make any changes to Mrs S's policy. I would have considered whether Aviva had responded to any further request for help from Mrs S if this had happened, but by her own admissions, and for the genuine reasons she has stated, she didn't contact Aviva for over 12 months either. So, with all this in mind and what I have said above, I don't think it would be fair of me to find that Aviva was at fault here. So, it follows that I won't be asking it to do anything further in regard to Mrs S's complaint.

I appreciate that my decision will be disappointing for Mrs S and her husband, Mr S. But based on everything I have read and the findings I have given, I don't uphold Mrs S's complaint.

My final decision

My final decision is that I do not uphold Mrs S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 20 November 2024.

Mark Richardson
Ombudsman