

## The complaint

Mr G has complained about the service he received from Phoenix Life Limited trading as Sun Life. In particular he complains that it failed to notify him of the introduction of a new product.

For simplicity I shall just refer to Sun Life, rather than Phoenix Life Limited trading as Sun Life.

## What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving the reasons for my decision. No discourtesy is intended by this, it simply reflects the informal nature of our service as a free alternative to the courts.

## 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 agree with the conclusion reached by our investigator for these reasons:

- Mr G took out a whole of life assurance policy on a non-advised basis in 2012. The relevant regulations says that insurers must ensure that customers are given appropriate information about a policy so that they can make an informed decision about the arrangements proposed. I'm satisfied that the policy documentation explained that: *depending on how long the total premiums paid may be greater than the cash sum payable on death*. Mr G has confirmed that he was fully aware the cumulative total of premiums paid might exceed the sum assured. Accordingly, he doesn't complain about this and has requested that his complaint now be limited to Sun Life not advising him of the launch of the premium capping option in 2015.
- Sun Life introduced a new product in 2014/15 – a whole of life assurance policy which included the premium capping option (PAYSTOP) referred to above. This meant that premiums would stop when the policyholder had paid the same level of premiums as the sum assured. Mr G complains that this should have been offered to him as an existing policyholder. I do understand his grievance; he says that had he been made aware he would have cancelled his existing policy and taken out a new policy which included the premium capping option. However, insurers aren't required to reach out to all existing policyholders when introducing a new product.
- Likewise, I don't find that Sun Life treated Mr G unfairly when it explained that it wasn't able to add the premium capping option to his policy. His policy is priced accordingly – taking account of the risk. Different policies are priced differently. His policy isn't flexible - the terms can't be changed. Mr G accepts this. But for completeness I don't find that Sun Life should have offered to amend Mr G's existing policy.

- Mr G queried why Sun Life introduced the premium capping option. But as the investigator explained it is for insurers to decide which products they offer – this service cannot interfere with that commercial discretion. Mr G believes that recent changes to the Sun Life website were to correct an earlier omission regarding PAYSTOP. I don't know if this is correct, but even if so I don't find it impacts Mr G's complaint. I say this because he accepts that this option could not have been added to the policy he took out in 2012.
- I appreciate that had Sun Life made existing policyholders aware of the new product, some might have chosen to take out such a policy and forgo the one they were paying into. But this doesn't change my finding that there was no regulatory obligation on Sun Life to advise all policyholders of the premium capping option. It follows that in all the circumstances I don't find that Sun Life has treated Mr G unfairly. This being so there is no basis for me to require Sun Life to agree to Mr G not paying any further premiums under his policy. I'm sorry that my decision doesn't bring him the news that he had hoped for.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 December 2024.

Lindsey Woloski  
**Ombudsman**