

The complaint

Ms M is unhappy that, on occasions, Vitality Life Limited didn't pay the monthly benefits due under an income protection insurance policy ('the policy') on time.

What happened

Ms M had a claim accepted on the policy and Vitality has been paying the monthly benefit. However, on occasions, Vitality accept that the monthly payments have been paid late and didn't reach Ms M's account by the end of the month.

It issued a final response letter in December 2022 apologising for this and offered £100 compensation.

However, similar errors occurred in 2023 and Ms M raised further concerns with Vitality. Vitality issued a final response in November 2023 again apologising for the delays in payment and offered £75 compensation, which was rejected by Ms M.

Ms M brought her complaint to the Financial Ombudsman Service in April 2024.

Our investigator looked into what happened and concluded that the Financial Ombudsman Service didn't have the power to look at concerns raised about the monthly benefit payments which were paid late before January 2023 because her complaint wasn't brought to the Financial Ombudsman Service within six months of Vitality's final response letter dated December 2022.

However, she did uphold Ms M's complaint about receiving late monthly payments in respect of the months of January and October 2023 – as that complaint was brought to the Financial Ombudsman Service within six months of the final response letter dated November 2023. She didn't think £75 compensation was enough to reflect the distress and inconvenience Ms M experienced because of those late payments. She recommended Vitality pay £150 compensation.

Vitality agreed to do this, but Ms M didn't think this was fair. She also would like assurances from Vitality going forwards that a system is in place to ensure this doesn't keep happening. So, the complaint has been passed to me to consider everything afresh.

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.

So that everyone is clear, I'm only considering what's happened between January 2023 and November 2023. That's because:

- Our powers to look into certain complaints are set out in the Dispute Resolution Rules (DISP) of the FCA Handbook. This can be read online. DISP 2.8.2 (1) of the FCA Handbook says the Financial Ombudsman Service can't look at a complaint if

it's been brought more than six months after the date the business sent its final response letter.

- These time limits only apply when a business doesn't consent to us looking at the complaint brought to us out of time. Vitality hasn't given its consent.
- As Vitality issued its final response to Ms M's concerns about late monthly benefit payments in December 2022, any concerns about those late payments should've been brought to the Financial Ombudsman Service by a date in June 2023. However, the complaint was referred later than that, in April 2024.
- I don't think there are any exceptional circumstances meaning a complaint about the late benefit payments which occurred before January 2023 couldn't have brought to the Financial Ombudsman Service within six months from the date of the final response letter. Ms M was in regular contact with Vitality within the six months of the date of the final response letter dated December 2022. And I've seen nothing which convinces me that Ms M couldn't have contacted the Financial Ombudsman Service to raise a complaint during that time. I'm therefore satisfied that I don't have the power to look at concerns before January 2023.
- Ms M has also said that Vitality made further late payments since the date of the final response letter dated November 2023. However, as that happened after the date of the November 2023 final response, she will need to raise a new complaint with Vitality if she hasn't already done so. Once it has had an opportunity to respond to that further complaint, and if she remains unhappy, Ms M may be able to bring a further complaint to the Financial Ombudsman Service to consider.

Vitality accepts that it didn't pay monthly benefits due under the policy in January and October 2023 to Ms M on time and by the end of the month.

So, the crux of the issue for me to decide is whether the amount of £75 offered fairly reflects the impact on her. I don't think it does.

I've seen an email from Ms M to Vitality dated 7 November 2023. She says:

This uncertainty every month about when and if I will be paid feels like I am being mentally tortured by your company who do not have one bit of regard for my well-being.

I can understand why she felt that way and I find that receiving late monthly payments on which she was relying (even by a day or two) would've been very worrying, upsetting and frustrating for Ms M. And her distress and frustration would've been exacerbated by similar issues having happened before. It also put her to the unnecessary trouble of having to raise these issues with Vitality.

I'm satisfied £150 compensation fairly reflects the distress and inconvenience Ms M experienced because of these further errors.

Vitality has said that these issues occurred because they had a manual process in place at the time to make monthly benefit payments. It says it now has an automated system so payment should be made more regularly. I know Ms M says this isn't the case and payments have again been late since November 2023. However, as I've explained above, that's not something I've considered as part of the complaint I'm deciding.

Putting things right

I direct Vitality to pay £150 compensation for distress and inconvenience.

My final decision

I uphold Ms M's complaint and direct Vitality Life Limited to pay £150 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 9 January 2025.

David Curtis-Johnson
Ombudsman