

The complaint

Mr H has complained that The Royal London Mutual Insurance Society Limited (Royal London) omitted to instigate a policy upgrade to his critical illness policy and about the service he received.

What happened

Mr H took out a critical illness policy through an independent financial advisor in August 2022. The policy included standard children's critical illness cover. Royal London didn't sell the policy; a separate complaint has been decided about the sale of the policy so I'm not considering the sale in this decision.

In June 2023 Mr H made enquiries about upgrading the children's critical illness cover from standard to enhanced. In January 2024 Mr H's young child was diagnosed with a critical illness so he contacted Royal London to ask about making a claim. He was told that his child's condition wasn't covered under the standard policy that he had.

Mr H complained. He felt that Royal London was responsible for the fact that he didn't have enhanced cover in place when he came to make a claim.

Our investigator didn't find that Royal London was asked to proceed with an amendment to the policy. So she didn't recommend that the complaint be upheld.

Mr H appealed. He agreed that Royal London didn't have an obligation to reach out to him following his initial enquiry but he felt, and I summarise, in not doing so they had broken principles set by the Financial Conduct Authority. Mr H referred to telephone conversations he'd had with Royal London, where he was given the impression that a claim would be considered if there was proof of the enhanced cover enquiry. However, the investigator still didn't conclude that Royal London had done anything wrong.

As no agreement has been reached the matter 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.

Although I've summarised the background to this complaint, and left out some sensitive medical details, no discourtesy is intended by this. I've taken into account all the evidence, listened to the call recordings and considered Mr H's representations with care. But in this decision I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I recognise that Mr H will be very disappointed with my decision, but I agree with the conclusion reached by our investigator for the following reasons:

- The regulator's rules say that insurers mustn't turn down claims unreasonably. I don't find that Royal London did turn down Mr H's claim unreasonably – as he didn't have

enhanced cover when he went to make a claim. For the avoidance of doubt I note that Mr H does now have enhanced children's critical illness cover, but that doesn't obligate it to retrospectively consider a claim.

- There is no dispute that Mr H enquired about changing his children's critical illness cover to enhanced cover in June 2023. Royal London responded to Mr H's advisor that it could do this, with Mr H's confirmation. As the confirmation wasn't received, the cover stayed as originally purchased. I don't find that there was any obligation on Royal London to chase Mr H or his advisor. Mr H agrees but says that in not doing so Royal London had broken principles set by the Financial Conduct Authority. I've looked carefully at the principles that Royal London has to abide by.
- As far as relevant here Royal London had a duty to pay due regard to the interests of its customers and treat them fairly. It had to pay due regard to the information needs of its clients and communicate information to them in a way which was clear, fair and not misleading. I don't find that by not chasing Mr H or his advisor to see if Mr H wanted to proceed following the enquiry Royal London breached either of these principles.
- From 31 July 2023 Royal London also had a duty to act to deliver good outcomes for retail customers. The Consumer Duty doesn't apply retrospectively so it doesn't apply to the actions of Royal London in June 2023. But even if it had applied at the time, I'm not persuaded that Royal London should have taken any different action in relation to Mr H's enquiry.
- Mr H has also complained about conversations he had with employees at Royal London. I accept Mr H was left with the understanding, following one of his calls, that he might be able to pay the extra premium and have his claim backdated. But it's clear that Mr H wasn't given any promises, and from the relevant call I'm satisfied that Mr H understood that. I'm also not persuaded, as Mr H suggests, that if one claims handler rather than another had investigated Mr H's complaint, the claim would have been payable.
- This service doesn't regulate insurers, rather we were set up by parliament as a scheme for certain disputes to be resolved quickly and with minimum formality by an independent person. Inevitably it will be the case that a party may be disappointed by the outcome of a complaint, and I have no doubt that Mr H will be very unhappy that I am not upholding his complaint. But in all the circumstances I don't find that Royal London have treated him unfairly or contrary to the regulations and principles by which it must abide. I'm very sorry that my decision doesn't bring Mr H welcome news.

My final decision

For the reasons given I don't uphold this complaint.

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

Lindsey Woloski
Ombudsman