

The complaint

Ms R and Mr S, as trustees of the R Trust, complain about Aviva Life & Pensions UK Limited. They're unhappy that a reviewable whole of life (RWOL) policy the trust holds with Aviva has been cancelled.

What happened

Ms R has brought the complaint, so for ease of reading I will only refer to her. She'd held the policy for a number of years, and in early 2024 she contacted Aviva to discuss making potential changes to it. She was subsequently told that because of changes brought about after Brexit in the country where she resided, Aviva were unable to make changes to the policy. They also said that if there were changes needed at the next policy review, they would have to cancel it.

The policy was reviewed in May 2024, and it failed. This meant that it required changes which weren't allowed under the laws that applied in that country. Aviva sent Ms R a surrender pack and in July 2024, they contacted her and said that due to the outcome of the policy review, it would be cancelled.

Ms R asked for our help with the matter, and we forwarded her concerns to Aviva. Aviva investigated the complaint and apologised to Ms R for the poor service she'd received. This was because they thought they should've provided her with more information about the review process when she'd spoken to them in early 2024. In order to put things right they paid her £500 in compensation for the distress and inconvenience they'd caused her.

Ms R didn't accept their findings and asked us to look further into her complaint. It was considered by one of our investigators who thought that Aviva's offer was fair. The investigator then went on to consider another aspect of Ms R's complaint – whether she'd historically been given sufficient information about the policy.

The investigator considered the available evidence and thought that from 2014 onwards, Aviva had provided Ms R with clear, fair and not misleading information about the policy, including different options she could take to make it sustainable for life. Therefore, the investigator didn't think Aviva needed to take any further action to resolve the complaint.

Ms R didn't accept the investigator's findings and explained that she'd been suffering from a period of ill health which meant that she might have overlooked some of the paperwork Aviva had sent her. But she thought that they could have told her that her policy would be cancelled during the numerous phone calls she'd had with them. She thought that £1500 compensation would be fair in the circumstances as she'd been paying for a policy that was going to be cancelled. She also explained that she hadn't always got the correspondence that Aviva had sent. She pointed to Aviva's letter of 27 August 2024 which had gone to her neighbour's house instead of hers.

The investigator wasn't persuaded to change her opinion, so the complaint 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.

Having done so, I don't think Aviva need to do anything further to resolve this complaint and I will now explain why.

I've firstly considered the issues relating to Aviva not making Ms R aware of the implications of Brexit on her policy earlier than they did. It isn't in dispute that they should have done so. With that in mind, I've considered what course of action Ms R would have taken if she'd been made aware at the appropriate time.

As I am unable to say with 100% certainty what she would've done, I've had to base my decision on the balance of probabilities i.e. what is more likely than not to have happened in light of the available evidence and a consideration of the wider circumstances.

If she'd been told earlier that her policy would have to be cancelled if it required any changes, her available options would have been either to keep the policy going until it was cancelled, or surrender it and take out a new one elsewhere.

From the testimony Ms R has provided, it is evident that she had ongoing health issues and limited disposable income which she could use to take out another policy. Because of her age and underlying health issues, a comparable policy would likely have been much more expensive than the Aviva policy. Her policy didn't have much of a surrender value, since 2018 its surrender value has fluctuated between £30 and £112. Given the low sums involved, it doesn't seem likely that Ms R would have surrendered the policy.

On balance, it seems more likely than not that she would have chosen the more cost-effective option i.e. to keep the Aviva policy for as long as she could and then when it was cancelled, look to take out another policy.

Because I don't think that Ms R would have taken a different course of action, I don't think that Aviva need to do anything else to put things right regarding this complaint point. I think the £500 compensation they've paid Ms R for not making her aware earlier is fair and reasonable.

I've then considered the issues relating to Aviva not providing Ms R with sufficient information about her policy in the past. Before I comment on this issue, I'd like to confirm that I've noted Ms R's comments relating to not receiving all her post. But from what I've seen, Aviva's letters were correctly sent to the address she provided them with, so I don't think I can hold them to account if she didn't get all their letters because of any postal issues.

Going back to the second part of the complaint, in considering whether Aviva provided Ms R with sufficient information, I've taken the regulator's rules into account. They broadly say that Aviva had a requirement to provide Ms R with enough information about the policy to enable her to make an informed decision about her options for the future. This is particularly important from the point where the costs of the policy overtake the premiums being paid, which in the case of Ms R's policy, happened in 2012.

I don't think Aviva provided Ms R with all the information they should have done. I haven't seen that they ever provided her with costs of the policy, which was a key piece of information, especially from the point where they overtook the premiums being paid in 2012. They also didn't provide details of how long the policy was expected to last on its current terms, only if it would last until the next review. But as the investigator noted, Aviva have

been providing Ms R with some information and a variety of options in their review letters.

For example, the review letters from 2014 and 2019 explained that while the existing level of premiums would be sufficient to maintain the policy until the next review date, premium increases would be required in the future. But Ms R could make the changes detailed below which were likely to sustain the policy throughout life:

- The 2014 review said that an increase in premiums from £26.96 to £142.26 or a reduction in sum assured from £39,685 to £7,322 would be sufficient to maintain the policy for life.
- The 2019 review said that an increase in premiums from £26.96 to £104.53 or a reduction in sum assured from £21,199 to £5,185 would reduce the likelihood of changes in future reviews.

Having considered the level of information that Aviva provided to Ms R, I think they gave her enough information to show that her premiums and sum assured weren't guaranteed and also indicated the level of changes that might be required in the future – which were significant. Ms R didn't take any action after receiving this information, so I don't think that she would have taken a different course of action even if she had received information about the specific level of charges or a projection of how long the policy was expected to last on its current terms.

Therefore, having considered everything, I don't think Aviva need to do anything else to resolve this complaint. I appreciate this will come as a disappointment to Ms R, but I hope she can understand the reasons why I've come to this conclusion.

My final decision

For the reasons I've given above, I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R and Mr S to accept or reject my decision before 10 October 2025.

Marc Purnell
Ombudsman