

The complaint

Mr G is unhappy that Scottish Widows Limited didn't tell him that the term of his income protection policy ('the policy') could be extended whilst it was still active.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my decision.

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.

After Mr G brought his complaint to the Financial Ombudsman Service, Scottish Widows accepted that it had told Mr G that it would've been possible to have extended the term of the policy if he'd contacted it to request this prior to the expiry date in 2019.

Given that, during the term of the policy, Mr G had complained to Scottish Widows that the policy had been set up to expire on his 55th birthday rather than his 65th birthday, he says it should've told him that the policy term could be extended.

However, Scottish Widows says the information Mr G was given was wrong. As Mr G had made a successful claim on the policy, which was ongoing at the time the policy expired, extending the term of the policy wouldn't have been possible and was therefore never presented as an option to Mr G during the lifetime of the policy. It's more recently apologised for giving Mr G incorrect information and offered £150 compensation.

Mr G would like the policy reinstated, the term extended to his 65th birthday and to receive backdated monthly benefits since the expiry date of the policy. However, I don't think it would be fair and reasonable for Scottish Widows to do this.

As a successful claim had been made on the policy, the monthly benefit had been paid for many years and the claim was ongoing at the time the policy expired, I'm persuaded by what Scottish Widows says; that it wouldn't have offered to extend the term of the policy beyond the expiry date. Particularly as, having considered the terms of the policy, there's no express provision to extend the term of the policy beyond the expiry date in such circumstances.

However, I accept that Mr G would've been very upset, confused and frustrated by being told that as the policy had matured it was no longer possible to extend the policy term, even if he would've wished to extend the policy whilst it was still active (giving him the impression that had he expressly requested this during the policy term, this would've been possible (when it wasn't)). He was also inconvenienced.

I know Mr G will be very disappointed, but I'm satisfied £150 compensation fairly reflects the impact of being given this wrong information. However, I'm satisfied on the balance of probabilities that Scottish Widows wouldn't have extended the policy even if expressly

requested by Mr G before the policy expired. I think that's the main reason for his disappointment and upset and ultimately, for reasons I've set out above, I don't think Scottish Widows' position is unreasonable.

Putting things right

Scottish Widows should pay Mr G £150 compensation as it's more recently offered to do.

My final decision

I uphold this complaint to the extent set out above and direct Scottish Widows Limited to pay Mr G £150 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 25 November 2024.

David Curtis-Johnson
Ombudsman