

## **The complaint**

Mr S has complained that the over 50s policy he was provided with by Phoenix Life Limited, trading as Sun Life, was not fit for purpose.

## **What happened**

In 2007, Mr S bought an over 50s life policy through his bank. He says he was aware of the need to keep up the monthly premium payments to prevent the policy lapsing. So he asked the bank staff for assurances about what would happen if he failed to do this. He says he was assured that the insurer (Sun Life) would write to him several times before they allowed the policy to lapse.

The direct debit – by which Mr S paid his monthly premiums – failed in early 2023 and lapsed in May that year. He complained to Sun Life about this in April 2024, saying he'd not received any notification the payments had failed – even though he'd specifically enquired about this when he'd bought the policy. Mr S said this meant his policy wasn't fit for purpose.

In response, Sun Life confirmed they'd not contacted Mr S because they didn't have an up to date address for him. They said it is the policyholder's responsibility to make sure their contact details are up to date and this was why the policy had lapsed. But they recognised they could have made more effort to trace him.

Sun Life offered Mr S £200 compensation for that failure, as well as £50 for the time it took to reply to his complaint. And they offered to reinstate his policy and waive half of the premiums due if Mr S accepted that offer.

Mr S accepted the £250 compensation but declined Sun Life's offer to reinstate the policy. And he was concerned they'd not addressed his complaint the policy wasn't fit for purpose. So he brought his complaint to the Financial Ombudsman Service.

Our investigator reviewed the information received from both parties and concluded Sun Life had made a fair offer to resolve the complaint. She noted that Mr S had said his bank was aware of his current address but that didn't mean she could say that meant Sun Life should also be aware. She was satisfied they only found out his current address when he contacted them to complain. And, although she noted steps hadn't been taken to try and trace Mr S in this case, she didn't agree with his view that made the policy unfit for purpose.

Mr S didn't agree with our investigator's view. So I've been asked to make a final 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.

Having done that, I'm not upholding Mr S's complaint because I think Sun Life have already done enough to resolve it. I'll explain why.

Mr S says he holds both Sun Life and his bank responsible for what has happened. I understand why he says that. But, to be clear, I'm only considering Sun Life's role. Our investigator made Mr S aware that he'll need to raise his concerns about the bank with them separately. And, as it was the bank that sold the policy, I won't be looking at any concerns about the sale here.

Mr S has focused on his concern the policy isn't what he terms "fit for purpose". He says this is because Sun Life didn't notify him when his direct debit failed. I've thought about this – but I don't agree. The purpose of Mr S's policy was to provide a lump sum on his death – not to ensure that he paid the premiums due.

Generally, we don't think it's fair for an insurer to cancel a policy for non-payment without giving their customer a chance to correct the situation. Sun Life have evidenced they have a system in place to do this. But the parties agree Sun Life didn't have Mr S's up to date address. So they couldn't send him the letters that system generated.

Sun Life accept they should have done more to trace Mr S. I agree. In recognition of this, they paid him £200 compensation. And they offered to reinstate the policy and cover part of the costs of doing so.

When we decide what businesses should do to put things right for a customer, we look at putting them in the same position they would have been, had nothing gone wrong. In this case, had nothing gone wrong, the policy wouldn't have lapsed because the premium payments would have been maintained. So to put Mr S back in the same position would have required Sun Life to reinstate the policy, and Mr S to make the payments that had been missed.

Sun Life's offered slightly more than this, because they offered to reinstate the policy and to waive some of the unpaid premiums. I appreciate Mr S doesn't want the policy reinstated. But that doesn't mean Sun Life's offer wasn't fair and reasonable.

Instead, Mr S wants a refund of all the premiums he's paid since 2007. But, as I've said, I don't agree the policy wasn't fit for purpose. And he had the benefit of the cover while the policy was in place. So, for the reasons I've explained, I don't think Sun Life need to do anything more to resolve the complaint.

### **My final decision**

For the reasons I've explained, I'm not upholding Mr S's complaint about Phoenix Life Limited, trading as Sun Life.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 February 2025.

Helen Stacey  
**Ombudsman**