DRN-5280133

The complaint

Mrs A's complained – in her capacity as one of the executors of her late husband, Mr A's estate – that The Royal London Mutual Insurance Society Limited ("RL") unfairly declined the claim submitted on Mr A's life policy and voided the policy.

What happened

In late February 2021, Mr A applied to RL for a life insurance policy. As part of the application process, he answered a number of health and lifestyle questions. On the basis of the information provided, RL accepted the application and the policy went live on the same day.

About two months later, Mr A was diagnosed with a type of cancer. He sadly passed away in September 2021. Mrs A contacted RL to make a claim on the policy.

RL gathered information to help them assess the claim. This included obtaining Mr A's medical records. When they reviewed these records, RL noted that Mr A had contacted his GP about a swollen ankle a few days before his application. He was offered a face to face appointment, which fell on the same day his policy went live.

At this appointment, Mr A was referred for investigation of a possible deep vein thrombosis. And his blood pressure was taken and found to be raised. He was prescribed medication to help prevent blood clots and to reduce his blood pressure. The records also showed that Mr A had consulted his GP in March 2021 and went to A&E in early April with gastrointestinal issues. It was the last of these that led to his cancer diagnosis.

RL said that Mr A should have declared these issues when he'd returned the client review form confirming his answers to the medical questionnaire in the application. They said his failure to do so was a misrepresentation which allowed them to decline the claim and cancel the policy. They refunded the premiums Mr A had paid to his estate.

Mrs A complained. RL didn't change their position. But they did accept they'd delayed in refunding Mr A's premiums and offered Mrs A £100 compensation for this. Mrs A didn't think this resolved matters. So brought the estate's complaint to the Financial Ombudsman Service.

Our investigator considered all the information provided and concluded RL didn't need to do anything more to resolve the estate's complaint. She was satisfied Mr A hadn't answered all the questions accurately so it had been fair for RL to decline the claim and void the policy.

I agreed with our investigator's conclusion – but for different reasons. So I made a provisional decision. That said that I didn't agree with RL that Mr A should have disclosed all his gastrointestinal issues, as those symptoms only started after the policy was put in place. And I understood why he hadn't disclosed that high blood pressure was diagnosed on the day he bought the policy.

But I did think Mr A should have disclosed his swollen ankle, about which he sought his GP's advice and subsequently underwent investigations for deep vein thrombosis. And I was

satisfied his failure to make that disclosure was a qualifying misrepresentation, which RL had dealt with in line with CIDRA.

Both parties have now commented on my provisional decision. So the matter's been passed back to me 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've not been persuaded I should change my provisional decision. I'll explain why.

As both parties have my provisional decision - which I've summarised above - I'm not going to repeat what it says here. RL accepted the provisional decision without further comment. Mrs A has focused on Mr A not having either high blood pressure or cancer when he bought the policy. She says RL are looking for reasons not to pay his estate the policy proceeds.

I agree with Mrs A there's no evidence Mr A had cancer when he bought the policy. And, as I've explained, I understand why he didn't tell RL he had high blood pressure.

But, as I said in my provisional decision, when someone applies for a life policy, insurers have to decide whether to offer cover, on what terms and at what price. To make that decision they ask a series of questions covering all aspects of an applicant's health and lifestyle.

All the answers can impact the insurer's decision to offer a policy – regardless of the applicant's ultimate cause of death. And the application documents make clear that not providing accurate answers may lead to a claim not being paid.

I focused in my provisional decision on Mr A's health immediately before he applied for the policy. The application asked:

"Do you have any symptoms for which you haven't yet sought medical advice, or are you awaiting referral, investigation, results or treatment for anything else?"

I was satisfied Mr A should have answered "yes" to that question because his ankle was swollen at the time he applied. I don't think that symptom could be ignored, because he was concerned enough about it to consult his GP. And his GP was concerned enough to start further investigations.

I accept the investigations which followed weren't linked to Mr A's cancer. But, for the reasons I've explained above, they don't have to be. RL has shown that, if they'd known about them, they wouldn't have offered Mr A any cover until those investigations were complete and the results were known.

In those circumstances the relevant law in the area – the Consumer Investigations (Disclosure and Representations) Act 2012 or CIDRA – says that RL can do what they would have done if Mr A had disclosed his ankle condition. As they wouldn't have offered the policy at that time, it was fair for RL to cancel it. CIDRA would have allowed them to retain the premiums Mr A had paid, but they chose to refund them. I think that was fair.

Neither party has commented on what I said about the £100 compensation RL offered to Mrs A. But, for the sake of completeness, I confirm I can only direct a payment of

compensation to what our rules call an “eligible complainant”. In this case, the eligible complainant is Mr A’s estate, not Mrs A.

So I can’t direct RL pay her any compensation. Nor can I comment on the amount that’s been offered. And, in summary, I don’t think RL need to do any more to resolve the estate’s complaint.

My final decision

For the reasons I’ve explained, I’m not upholding the complaint Mrs A’s made about The Royal London Mutual Insurance Society Limited behalf of the late Mr A’s estate.

Under the rules of the Financial Ombudsman Service, I’m required to ask the estate of Mr A to accept or reject my decision before 21 February 2025.

Helen Stacey
Ombudsman