DRN-5309816

The complaint

Mr N's complained that ReAssure Limited cancelled his critical illness policy without telling him – leaving him without cover when he was diagnosed with a serious medical condition.

What happened

In 2000, Mr N bought a flexible mortgage ISA plan, which ran for a term of 22 years. The product included critical illness cover.

In summer 2024, Mr N was sadly diagnosed with a serious medical condition. So he contacted ReAssure to find out how to claim under the critical illness policy. ReAssure told him he didn't have cover because the policy term had ended in 2022. They said they'd written to Mr N in March 2022, confirming this.

Mr N complained that he'd never received a letter from ReAssure and was shocked to find out he had no cover just when he needed it. He said the policy had been cancelled without his knowledge or consent.

In their response, ReAssure confirmed they'd sent a letter when the policy term ended. And they said that the original policy documents, and annual statements, had all included the fact that coverage would run for 22 years. They said there had been no option to extend the policy terms.

But ReAssure said their processes meant Mr N should have been sent a chaser letter when they received no response to their March 2022 letter. They sent Mr N a cheque for £250 compensation to apologise for this.

Mr N didn't think this resolved the matter and brought his complaint to the Financial Ombudsman Service. Our investigator reviewed the information provided by both parties and concluded ReAssure didn't need to do anything more to resolve the complaint. She was satisfied the documentation showed that the plan wasn't cancelled, but had come to an end in 2022. She noted ReAssure had written to Mr N about this and, while she accepted that Mr N didn't get that letter, she couldn't say that was ReAssure's fault.

In respect of Mr N's comments that he'd suffered an increased administrative burden because of what had happened, the investigator said it wouldn't be fair for ReAssure to pay more compensation because the policy would always have ended in 2022, regardless of when Mr N became aware of this.

Mr N didn't agree with our investigator's view. So the complaint's been passed to me to make a 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 N's complaint. I know he'll find that unwelcome news. I hope it will help if I explain the reasons for my decision.

Before I can say ReAssure should do more than they have done to address Mr N's complaint, I have to be satisfied that they've done something wrong, and that had a negative impact on Mr N. I don't think that's the case here.

The available documentation is clear that Mr N's critical illness cover started when he bought his plan in 2000 – and that it would continue for 22 years. So it would always have ended in 2022. So, while I understand why Mr N complained the policy had been cancelled, I'm satisfied that's not what happened. It simply ended, in line with the terms Mr N agreed to when he bought it. So I'm satisfied ReAssure didn't do anything wrong here.

I accept Mr N didn't get the letter ReAssure sent out at the time the policy came to an end. I've seen a copy, which shows it was sent to the right address. So I can't hold ReAssure responsible for it not reaching Mr N. I can see ReAssure confirmed they didn't send a reminder and paid Mr N £250 compensation.

Mr N this isn't sufficient compensation he suffered an "increased administrative burden" as a result of what had happened. I've considered this, but I've not been able to identify anything I think would merit awarding an increased amount. Mr N says the lack of a chasing letter caused significant delay and confusion, but I don't agree that was the case.

Records provided by ReAssure show Mr N was advised during his first call to them in 2024 that the policy wasn't active. And ReAssure called to confirm this a second time after Mr N emailed them to complain. I don't think this shows any delay.

Mr N wants the policy reinstated so he can make a claim. That's entirely understandable in the circumstances he now faces. But I can't reasonably say ReAssure should do this because Mr N didn't receive a diagnosis until 2024 – more than two years after the cover ended. And so, I can't say ReAssure should do any more to resolve Mr N's complaint.

My final decision

For the reasons I've explained, I'm not upholding Mr N's complaint about ReAssure Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 28 August 2025.

Helen Stacey
Ombudsman