

## **The complaint**

Mr and Mrs G complain that ReAssure Limited gave them incorrect information about their critical illness insurance policy.

## **What happened**

Mr and Mrs G made a claim under their critical illness insurance policy with ReAssure after Mr G was sadly diagnosed with cancer.

Mr and Mrs G received a claim payment of £2,000. They had been expecting a claim payment of £12,000 based on documentation and information they'd been given verbally by ReAssure.

Unhappy, Mr and Mrs G complained to ReAssure, who offered to pay them £1,000 compensation.

Mr and Mrs G refused ReAssure's offer and brought the matter to the attention of our service.

One of our investigators looked into what had happened and said he thought ReAssure's offer was fair and reasonable in the circumstances. Mr and Mrs G didn't agree with our investigator's opinion, so the complaint has been referred to me to make a decision as the final stage in our process.

## **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.

I'm sorry to hear about Mr G's illness and the impact this has had on both him and Mrs G.

When making my decision I've taken into account relevant considerations such as the law, industry rules and guidance as well as what I consider to be good industry practice. The Financial Ombudsman Service is an informal alternative to the courts, and I'm not bound to strictly apply the law. Instead, my over-riding remit is to make a decision based on what I think is fair and reasonable in all the circumstances.

The policy terms and conditions, which are the contract between Mr and Mrs G and ReAssure, set out that a benefit of £2,000 will be paid for a cancer diagnosis in certain circumstances. I'm satisfied that this claim has been paid in line with the contract between the parties.

Other documentation about Mr and Mrs G's policy says a benefit of £12,000 is payable on the diagnosis of one of the specific illnesses covered by the policy. And I understand that further documentation was sent to Mr and Mrs G over a year later which again stated that the claim benefit for critical illness was £12,000. I think this documentation could have been much clearer in explaining that the figure of £12,000 was a combined maximum benefit and that lower benefits were payable for certain illnesses. I also note that Mr and Mrs G say they

were told on the phone that they had a claim with a potential value of £12,000.

But, although I think ReAssure made errors here, this doesn't mean that Mr and Mrs G should receive £12,000. I need to reach an independent and impartial outcome which is fair and reasonable to both parties and it wouldn't be fair or reasonable to require ReAssure to honour any incorrect information given to Mr and Mrs G.

Instead, the appropriate remedy in a situation such as this is for ReAssure to pay Mr and Mrs G compensation to reflect the impact of its errors on them.

It is, of course, very difficult to put a value on this and I don't wish to underestimate the stress which Mr and Mrs G have experienced. But compensation at the level Mr and Mrs G are seeking simply isn't an amount which I'd consider fair or reasonable in these circumstances, and I have no power to punish ReAssure for its mistakes.

Our published guidance on the payment of compensation for distress and inconvenience explains that an award of the amount which ReAssure has offered is fair compensation for errors with a substantial short-term impact, which I'm satisfied was the case here.

Having taken into account the loss of expectation, distress and inconvenience which Mr and Mrs G experienced, I think ReAssure's offer of £1,000 compensation is fair and reasonable in the circumstances.

I'm sorry to disappoint Mr and Mrs G but I won't be directing ReAssure to pay any higher amount.

### **My final decision**

My final decision is that I don't uphold Mr and Mrs G's complaint.

ReAssure Limited has already made an offer to pay £1,000 compensation and I think this offer is fair in all the circumstances, so ReAssure Limited should pay this to Mr and Mrs G.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 30 April 2025.

Leah Nagle  
**Ombudsman**