

The complaint

Mrs J complains that Scottish Widows Limited trading as Halifax Financial Services (Halifax) didn't inform her that her life and critical illness protection policy would continue following the redemption of her mortgage. She says this meant she continued to be charged monthly premiums for a policy she felt she didn't need.

What happened

The events which led up to this complaint are well known to both parties, so I'll give just a broad overview here.

In 2006, Mrs J took out a Total Mortgage Protection Plan (TMPP) to provide life and critical illness cover as part of a mortgage application.

In 2020, Mrs J redeemed the mortgage. Her TMPP policy however continued, and it was only in November 2024 Mrs J noticed she'd still been paying the monthly premiums.

Mrs J complained to Halifax. She said she'd never been notified it would still be active following the redemption of the mortgage – either at the time of redemption or via annual policy statements. Mrs J said that if she had been aware she'd have cancelled the policy as she felt she didn't need it. Mrs J wanted the policy to be cancelled, and her premiums refunded from the time her mortgage had been redeemed.

In its response, Halifax said the terms and conditions of the policy were clear when Mrs J took the policy in 2006. It also said it had written to her in July 2020, following the redemption of the mortgage, to explain the policy would still be active, premiums still taken, and reminded her of the cover the policy provided.

Halifax also said that as the monthly premium hadn't changed it wasn't obliged to send annual statements to her. Whilst it was sorry that Mrs J was unhappy with the communication it didn't agree to refund the premiums.

Mrs J wasn't satisfied with this response and so brought her complaint to this Service.

Our Investigator reviewed the evidence and didn't think Halifax had done anything wrong.

She thought the terms and conditions originally provided to Mrs J were clear and this was reinforced when Halifax sent her a letter saying the policy would continue following the redemption of her mortgage – unless Mrs J told them to cancel it.

Mrs J was still not satisfied so the complaint has been brought to me for 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.

From the evidence I've seen, in 2006, when the policy was taken out, Mrs J was given the terms and conditions of the TMPP policy. Under section 14 these terms make it clear that the policy would not automatically end when the mortgage was repaid.

I can understand, given the passage of time, that Mrs J may not have been fully aware of this condition, but I can see from the evidence that Halifax sent her a reminder letter on 8 July 2020 following the redemption of her mortgage.

This letter explained the amount of cover the policy continued to provide and said if Mrs J didn't wish for it to continue then she should let it know. As Halifax didn't receive any such instruction it continued the policy.

I'm also minded that the monthly premiums Mrs J was paying were visible on her monthly bank statement which could have prompted her to query the status of her policy.

In her evidence, Mrs J has made a number of points relating to what she feels is poor – or no – communication by Halifax.

She says she has no recollection of receiving the 8 July 2020 reminder letter Halifax says it sent. Mrs J also points out that this period was at the height of the coronavirus pandemic and postal services were under strain and subject to disruption. Given the possibility the letter might not have been delivered she feels Halifax should have followed up any written correspondence with emails.

Mrs J also thinks the letter of 8 July 2020 was incomplete as it didn't specify the monthly premiums that would continue to be charged. And she feels that Halifax should have sent her annual statements on her policy. Both or either of these might have prompted her to notice her payments more easily and query why the policy was still active.

Mrs J was also concerned when she says it was suggested by a Halifax staff member, when she called to complain, that there was a reliance on customers not noticing premiums were being taken.

In summary, Mrs J feels that this evidence of what she feels is poor communication means that she was never adequately informed the policy would continue and so Halifax should cancel it and refund all premiums back to when the mortgage was redeemed.

I've thought carefully about Mrs J's concerns and have some sympathy with her, especially regarding the 8 July 2020 reminder letter. This happened at a very difficult time and business disruption is well documented as is the personal anxiety and difficulties many people were suffering.

But my role here is to decide if Halifax has acted fairly and reasonably when it didn't cancel the policy when the mortgage was redeemed and I think, on balance, it did.

I think the TMPP terms and conditions are clear that the policy is not automatically cancelled when a mortgage is repaid, and I think Mrs J has some responsibility to have been aware that she was continuing to pay the monthly premiums.

Halifax have provided evidence that they sent a timely reminder that the policy would continue to the correct address and, despite the acknowledged potential difficulties to postal services, I haven't seen any evidence that there was a known problem to postal services in Mrs J's specific area. I'm also aware that Halifax sent a letter to Mrs J on 22 June 2020,

relating to the redemption of the mortgage, which Mrs J says she received. So, on balance, I think the letter of 8 July 2020 was likely to have been received.

I don't disagree with Mrs J that it would have been helpful for Halifax to follow up written communication with emails. Similarly, it would have been helpful to see details of her policy on her mobile app, have the premiums detailed on the 8 July 2020 reminder letter and to receive annual statements. But as this wider communication and detail was something Halifax wasn't obliged to do, I can't say it did anything wrong.

Mrs J was understandably concerned when she says a call handler suggested Halifax relied on customers not checking their documentation, presumably to maintain their premium payments.

But in this complaint, from the evidence I've seen, I think Halifax provided clear terms and conditions and provided a timely reminder that the policy would continue following the mortgage redemption.

The monthly premiums transactions were also provided to Mrs J through her bank statement.

So, I think Halifax did what I would expect to inform Mrs J of the status and conditions of her TMPP policy and so I don't think it did anything wrong in this case.

My final decision

For the reasons stated above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 9 July 2025.

Ben Castell
Ombudsman