

The complaint

Mr P has complained that a lack of communication from Pinnacle Insurance Limited resulted in him unnecessarily paying for a mortgage payment protection insurance (PPI) policy.

What happened

Mr P was sold the PPI by his mortgage lender in 1998. He then took out a new mortgage with a different lender when he moved house in 2011. That mortgage was then fully paid off in May 2021. He says it was only in December 2023, upon receiving an annual PPI statement from Pinnacle, that he realised he had the policy.

In response to the complaint, Pinnacle refunded the premiums from the point that the mortgage had been redeemed.

Our investigator didn't think Pinnacle had done anything wrong as it was Mr P's responsibility to inform it of any change of circumstances and that it acted fairly in terms of the refund of premiums.

Mr P disagrees with the investigator's opinion and so the complaint has been passed to me for 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.

Mr P had asked Pinnacle to consider a refund of premiums from the date the policy was inception because he said he didn't know he had the policy. However, that wouldn't be a matter for Pinnacle as it wasn't the party that set up the policy. It was sold to him by the original lender, against whom Mr P has already made a complaint that was dealt with by this service. So, to be clear, this decision is not looking at whether or not the policy was mis-sold. The matter at hand is whether there were any later failings by Pinnacle that caused Mr P detriment.

Mr P has said that he should at least get a refund from the point he changed the mortgage to a different lender. As our investigator has said, it is the responsibility of a policyholder to keep the insurer informed. Mr P didn't inform Pinnacle when he moved house. It has provided evidence that it wrote to him at his old address on a number of occasions and that post was returned. It received no response from the original lender when making enquiries about his whereabouts, so it eventually used a tracing service to track him down, which is why he then received the annual statement in December 2023.

Mr P says it's strange that he missed all of its communications prior to the one that made him react. But, of course, the letters were going to the wrong address from May 2011, through no fault of Pinnacle's. He has suggested that it didn't try hard enough to find him, however, I'm satisfied that Pinnacle took reasonable steps in that regard, something that it wouldn't have had to do if he'd informed it of his change of address. And, although Mr P

says he didn't know he had the policy, the direct debit for the premiums had been going out of his bank account every month since 1998. So, it's reasonable to think that he might have queried what this payment, that began at the same time as his mortgage, was for.

The PPI was not tied to the original mortgage lender. It was a portable product that was valid as long as Mr P held any mortgage. Therefore, had Mr P needed to claim on the policy after changing to the new lender, he could have done so, subject to the relevant terms and conditions. As he had the benefit of active cover during that period, I see no reason why he should receive a refund of premiums.

In the same way that Pinnacle wouldn't know about his change of address unless he told it, it also wouldn't know that he no longer had a mortgage. As the PPI provides cover for mortgage repayments, Pinnacle was no longer on risk at the point the mortgage was paid off. So, even though they were unaware of that at the time, it's reasonable that it refunded the premiums paid after that time.

I'm sorry to disappoint Mr P but I'm not persuaded that Pinnacle has done anything wrong. The lack of communication received by Mr P stemmed from him not informing it of his change of address rather than any fault of Pinnacle. It follows that I do not uphold the complaint.

My final decision

For the reasons set out above, I do not uphold the complaint.

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

Carole Clark
Ombudsman