

The complaint

Miss T has complained that The Royal London Mutual Insurance Society Limited ('Royal London') avoided her policies and refused to pay her claim.

What happened

Miss T took out two life insurance policies with Royal London by phone in 2020. She made a claim in 2024 but this was declined and the policies were cancelled, with all premiums refunded.

Royal London said Miss T had answered the health questions incorrectly. And it treated this as a careless qualifying misrepresentation, which entitled it to cancel the policies, decline the claim and refund the premiums paid.

Miss T brought her complaint to us and our investigator didn't think it should be upheld as he thought Miss T hadn't taken reasonable care when answering Royal London's clear questions.

Miss T doesn't agree with the investigator and has asked for an Ombudsman's decision. So the case has been passed 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

Firstly, I'd like to say I am very sorry to read about Miss T's difficult circumstances and health problems. I acknowledge it has been a distressing time for both Miss T and her family.

- I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.
- The background to this matter has been set out in quite some detail by the investigator. So I won't repeat the facts here again. Instead I will focus on what I consider to be key to my conclusions.
- The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.
- And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the

misrepresentation.

- CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.
- Royal London says Miss T failed to take reasonable care not to make a misrepresentation when she answered some health questions incorrectly. She did not declare all of her conditions when she spoke to Royal London.
- I've looked at the questions asked and I don't think Miss T took reasonable care. I think the questions were clear and the adviser had also suggested she could speak to her doctor if she wasn't sure how to answer a question.
- Royal London has provided its underwriting information and criteria and an explanation that it would not have offered Miss T the policies at all had she declared her health conditions correctly.
- This means I am satisfied that Miss T's misrepresentation was a qualifying one. And Royal London has treated the misrepresentation as careless which gives Miss T the most favourable outcome. I've looked at the actions Royal London can take in accordance with CIDRA and as it has acted in line with the remedies detailed in CIDRA, I don't think it has acted unfairly.

The way the claim was handled

- Miss T is also unhappy about the way the claim was handled. She says it took too long and Royal London made mistakes.
- Royal London accepts that it sent a letter to Miss T by mistake and so this would have caused some delay in receiving the information it needed. For this, it offered £200 compensation.
- Overall, the length of time taken to decline the claim was around four months and I don't think this was unreasonably excessive based on the steps needed to verify the claim, including waiting for responses from third parties.
- So I am satisfied that the offer of £200 compensation for the mistake and resulting delay is fair and reasonable in all the circumstances as the impact wasn't long lasting and the error was corrected by Royal London apologising and sending the letter to the correct place.

Other matters

- Miss T has said her sister's complaint hasn't been looked into, the distress to the family hasn't been factored in, and she is concerned about some call recordings which Royal London were unable to find.
- My decision is limited to Miss T's complaint as the policyholder and the eligible complainant. I cannot consider Miss T's sister's complaint as she is not an eligible complainant. And so I can only consider the distress and inconvenience caused to Miss T and not her sister or other family members.
- Miss T also raised a concern about some telephone calls which Royal London

couldn't find. She has recently provided an itemised phone bill to this office but she will need to provide this to Royal London so that it can review its call system again against the specific times and dates, as it previously offered to do so. If Miss T remains unhappy with Royal London's response, she could raise a further complaint.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 13 August 2025.

Shamaila Hussain
Ombudsman