

The complaint

Mr C has complained that U K Insurance Limited (UKI) has cancelled his mortgage payment protection insurance (PPI) policy.

What happened

UKI wrote to Mr C in October 2024 informing him that the policy would be cancelled on 1 June 2025.

Our investigator didn't uphold the complaint because UKI had made a business decision to withdraw this policy and had provided Mr C with sufficient notice of the cancellation, in line with the policy terms and conditions.

Mr C 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.

UKI has taken a decision to withdraw its mortgage PPI product altogether. So, it doesn't just affect Mr C, it affects all other existing policyholders.

UKI is entitled to take a view on whether it wishes to continue to offer certain products and this service would not normally involve itself in the commercial decisions of a business in deciding to offer or withdraw particular products. I'm only looking at whether UKI has acted fairly and reasonably in the way that it has undertaken the cancellation.

Under the terms of the policy, it states that UKI must give 90 days' advance notice of the termination of the policy. Based on the available evidence, I'm satisfied that it did this.

Mr C says he didn't expect the policy to end before his mortgage was repaid or his retirement date. However, I can't see that UKI has ever given an undertaking that the policy will match the length of the mortgage. It is a monthly paid policy that can be cancelled at any time with 90 days' notice.

The cancellation is particularly problematic for Mr C because he has been on an NHS waiting list for an operation and found out in mid-June 2025 that he had been given a pre-operative appointment for 20 June 2025 with the operation itself likely taking place very soon afterwards. So, the timing of the cancellation was extremely unfortunate in this case, with Mr C only just missing out on potentially being able to make a claim.

Mr C says he's had the policy for 29 years and feels let down that it won't be there for him at a time when he needs it. He also says he feels foolish for keeping the policy running from October 2024 to June 2025. He would like UKI to refund some of the premiums he has paid. However, as he had the benefit of cover during all of that time – meaning that he would have

been able to make a claim in that period if he'd been unable to work for some reason – I can't reasonably instruct UKI to refund any of the premiums.

Mr C has pointed out that the policy terms state that: *'If your policy is cancelled by you or us before the end date, you may be entitled to a refund of part of your premium, provided you have not made a successful claim.'* He thinks that the word *'may'* is misleading if, in reality, there's no prospect of getting any refund. It wouldn't be feasible for UKI to list all the possible scenarios in which a refund might be applicable and so I consider it reasonable that it simplifies matters with the use of the word *'may'*. And, as I've already mentioned, Mr C had active cover until 1 June 2025 and so it's only fair that he should pay the premiums for that cover.

I have a great deal of sympathy for Mr C's situation and understand the strength of the disappointment he is feeling. But UKI hasn't singled him out. It has cancelled the policies of all the remaining policyholders, in accordance with the terms and conditions. I appreciate the impact for Mr C will potentially be greater than for others. However, as UKI applied the withdrawal across all of its customers, I'm unable to conclude that it has treated him unfairly. It follows that I do not uphold the complaint.

I'm sorry that I haven't been able to give Mr C the answer that he has been hoping for. But I hope he will accept my best wishes and I hope that his operation and recovery goes well.

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 C to accept or reject my decision before 12 August 2025.

Carole Clark
Ombudsman