

## **The complaint**

The estate of Mr M has complained that Scottish Widows Limited cancelled Mr M's life and life with critical illness insurance policies.

## **What happened**

In 2019 Mr N applied for two policies – one was life and critical illness and one was life only. Mr M sadly passed away in May 2022. Mrs M, who represents the estate, contacted Scottish Widows but was advised that the policies had been cancelled in 2019 and 2020 because it hadn't been able to collect the premiums.

Scottish Widows accepted that it should have done more at the time to notify Mr M that the policies had been cancelled. It offered to consider a claim against the life insurance policy, upon receipt of a medical consent form. In recognition of the distress and inconvenience caused it sent a cheque for £5000.

Mrs M felt that Scottish Widows should have paid the policy benefit. On behalf of the estate Mrs M referred her complaint to our Service.

The investigator didn't recommend that it be upheld. They explained that we are unable to make an award of compensation to a representative of an estate – the representative isn't an eligible complainant in their own right but acting on behalf of the estate. The investigator felt that Scottish Widow's offer to consider a claim against the life insurance policy was fair.

Mrs M appealed on behalf of the estate.

## **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'd like to reassure the estate that whilst I've summarised the background to this complaint, I've carefully considered all the submissions Mrs M has made.

In this decision though I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

Having considered everything, and although I'm sorry to disappoint Mrs M and the estate of Mr M, I agree with the conclusion reached by the investigator for the following reasons:

- The relevant regulator's rules say that insurers must treat customers fairly. So I've considered, amongst other things, regulatory rules and good industry practice to decide whether I think Scottish Widows treated the estate of Mr M fairly.
- In this decision I am not considering the sale of the policy – as the policy was sold by

an independent financial adviser and not by Scottish Widows.

- I completely understand why Mrs M, on behalf of the estate, feels that compensation is due. It seems that she only found out Mr M's policies had been cancelled after he died. But as the investigator explained Mrs M isn't an eligible complainant in her own right – she is a representative of the estate of Mr M. This complaint is therefore brought on behalf of Mr M as he would have been an eligible complainant. I have no power to require Scottish Widows to compensate Mrs M for any impact incurred by her when representing the estate. That said, I'm pleased to note that Scottish Widows has made a payment in compensation to Mrs M for the service she received, but for the reason given I can make no further award.
- The first policy – ending 71 – was cancelled due to unpaid premiums. Scottish Widows did receive a Declaration of Continued Good Health – but were unable to reinstate the policy due to the medical disclosure accompanying the declaration. Scottish Widows accept that they should have advised that the policy had been cancelled. It agreed to consider a claim under this policy, and I think that was fair. The outcome of that claim was the subject of a different complaint to this Service.
- The second policy – ending 72 – was also cancelled before a claim was made. I understand that the cancellation of the policy was due to non-payment issues. This hasn't been challenged. I've seen a letter sent to Mr M confirming that the policy was cancelled from 27/12/2019. It is not completely clear from the information I have why Scottish Widows didn't offer to consider claims under both policies. But I wouldn't want to raise the hopes of the estate – because it is apparent that the outcome would have been the same under both policies and that terms wouldn't have been offered. As mentioned, the claim has been the subject of another complaint, so I won't comment further here.
- I am very sorry that my decision doesn't bring the estate welcome news, but in all the circumstances I find that Scottish Widows offered a fair resolution – to consider a claim.

### **My final decision**

For the reasons given my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr M to accept or reject my decision before 9 December 2025.

Lindsey Woloski  
**Ombudsman**