

The complaint

Miss D has complained that ReAssure Limited has prematurely ended a claim she made on a mortgage payment protection insurance policy.

Miss D is being represented in making this complaint. However, for ease, I will just be referring to Miss D in this decision.

What happened

Miss D made a disability claim on the policy which had been accepted and was in payment. However, ReAssure then ended the claim on 15 March 2025, that being the date that the policy expired.

In responding to the complaint, ReAssure maintained its position that it had ceased the claim payments correctly. However, it acknowledged that the final two monthly payments were made late. So, it apologised and offered £400 for distress and inconvenience.

Our investigator thought that ReAssure had acted reasonably in ending the claim, in line with the policy terms and conditions. Miss D disagrees 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.

I've carefully considered the obligations placed on ReAssure by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for ReAssure to handle claims promptly and fairly, and to not unreasonably decline a claim.

Miss D believes that the policy should pay out for a further 12 months following the expiry date.

I've therefore considered the terms of the policy Miss D held, as this forms the basis of contract between the parties. There are several terms within the policy which I consider relevant to the complaint.

Page 1 is the covering letter. It sets out that the policy consists of a schedule, the policy provisions and definitions. It states that:

'The terms or conditions of cover may be varied in accordance with the policy Provisions from time to time by way of endorsement and any such endorsement shall also form an integral part of this policy.'

Page 2 and 3 is the policy schedule. It sets out the expiry date as being 15 March 2025 and states:

'BENEFITS

1. The Monthly Benefit will become payable during a period of disablement in accordance with the policy Provisions entitled Disablement°. The Monthly Benefit will be paid one month after the end of the Pre-benefit Period and at Monthly intervals thereafter until the end of such Disablement, or until the mortgage ceases, including any benefit accrued under the rehabilitation clause (see section REHABILITATION BENEFIT) or death or the Expiry Date, whichever is the earliest.'

Under the heading '*SPECIAL PROVISIONS*' it states: '*None*'

The main part of the policy then starts on page 4, which sets out the full policy provisions. The introduction sets out the intention of the policy as follows:

'This is a mortgage payment protection plan. It is designed to provide a benefit relating to the Life Assured's mortgage repayment if the Life Assured is unable to work, due to illness or accident as specified in the Policy Provisions, before the Expiry Date.'

On page 4, it states:

'On the Expiry Date there will be no further entitlement to any monthly Benefit, the policy will cease and no further benefits will be payable unless the provision Claims in payment at Expiry Date applies.'

So far, based on the above wording, I consider it is clear that the standard benefit under the policy ends upon the expiry date. That is, unless as mentioned immediately above, the '*Claims in payment at Expiry Date*' clause applies.

That clause states:

'claims in payment at the Expiry Date will be paid for a maximum of 1 year or until age 69, or death, or the mortgage ceases, or until the Life Assured retires, which ever is the earliest.'

So, the crux of the matter is whether that clause applies in Miss D's case.

The policy is not individually underwritten for Miss D. As such, the policy document contains standard wording that all policyholders would receive. There was an option to enhance cover by choosing certain special provisions in addition to standard cover. The particular level of cover relating to the policyholder is then set out in the schedule of cover.

Therefore, if the clause relating to claims in payment at expiry date applied, I would expect that to be itemised in the schedule. As already mentioned above, special provisions in Miss D's schedule are denoted as '*None*'. Therefore, based on the available evidence, I'm satisfied that this extra provision did not form part of her policy terms.

Miss D says that her policy is unique and specific to her and that, if the clause didn't apply, it would have been struck through or deleted. I'm afraid that's not the case. As already mentioned, it is a standard policy and would not be amended or annotated for individual policyholders. The policy terms need to be read in combination with the schedule, which is the document that pertains to the policyholder's actual level of cover.

Insurers are entitled to decide what risks they will accept (in return for the premium). The events they will and won't cover just need to be clearly set out. I'm not persuaded that the policy terms are worded in a way that is ambiguous, unfair or unclear. Overall, I'm satisfied

that ReAssure has done enough to make Miss D aware that the clause in question doesn't apply to her level of cover.

I appreciate the arguments Miss D has made and how strongly she feels about the issue. However, based on the available evidence, I consider that ReAssure acted reasonably in ending the claim at the policy expiry date, in line with the policy terms and conditions. It follows that I do not uphold the complaint.

In its final response letter dated 24 April 2025, ReAssure said it was sending Miss D £400 compensation to say sorry for the last two monthly payments being sent out late. Miss D has additionally complained that she hasn't yet received this. ReAssure has recently confirmed that the cheque was sent on 25 April 2025. It has now cancelled the original cheque and re-issued it. I appreciate Miss D says it didn't respond to two chaser emails she sent in May 2025 about not having received the payment. However, as it has now re-issued the cheque, I'm not asking it to do anything more.

On another matter, Miss D has more recently spoken about the policy being mis-sold because the disputed clause was not explained. That is not an issue I can look at here as ReAssure was not the seller of the policy.

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 Miss D to accept or reject my decision before 4 December 2025.

Carole Clark
Ombudsman