

The complaint

Mr T and Mrs T have complained that Vitality Life Limited has reduced their life and serious illness cover.

What happened

Mr T and Mrs T took out life and serious illness cover with Vitality through an independent financial adviser in 2015.

The date of birth entered for Mr T was incorrect by 30 years. When Mr T made a claim Vitality noticed this incorrect entry and proportionately reduced the cover value to reflect what it would have been had the date of birth been entered correctly.

Unhappy with this, Mr T and Mrs T referred their complaint to our service.

The investigator didn't recommend that it be upheld. They said that Vitality had acted fairly and in accordance with the relevant law.

Mr M appealed. He said that when they took the policy out Mrs T was 42 and according to the figures on the application form he would have been 19. He felt that this should have set alarm bells ringing. He was adamant that this was Vitality's mistake for which Mr T and Mrs T were being penalised.

As no agreement has been reached the complaint has been passed to me to determine.

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 Mr T and Mrs T that while I've summarised the background to this complaint, I've carefully considered all that's been said and sent to us. In this decision though I've focused on what I consider to be the key issue. Having done so, and whilst I'm sorry to disappoint Mr T and Mrs T at what I can see is a difficult time for them, I agree with the conclusion reached by the investigator. I'll explain why.

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.

It is not in dispute that Mr T's date of birth was entered incorrectly on the application form. I appreciate that this was submitted by a financial adviser, but again it is not in dispute that the financial adviser was acting as Mr and Mrs T's agent – that is they were not acting as an agent of Vitality.

I don't find it was unreasonable for Vitality to conclude that reasonable care wasn't taken when the application was submitted with the incorrect date of birth for Mr T. I don't agree with Mr T's submission that this was an error on Vitality's part. It was entitled to rely on the information given on the form. Documents were sent out including instructions to notify Vitality of any discrepancies. Vitality wasn't notified the date of birth was incorrect but noticed the error when a claim was made this year. It then updated the plan to reflect Mr T's correct age.

Vitality has shown that it would have charged a higher premium had it been aware of the correct date of birth for Mr T. So, I find that the misrepresentation was qualifying and meant that Vitality could apply the remedy set out in CIDRA. Although Vitality treated this as an error and not a misrepresentation, it has applied the remedy for careless misrepresentation and reduced the cover value and paid Mr T's claim proportionately. I'm satisfied that the categorisation as careless was fair – there is nothing to show the incorrect entry was either deliberate or reckless. This being so I don't find that Vitality has treated Mr and Mrs T unfairly, unreasonably or contrary to law.

I understand that Mrs T now has concerns about levels of cover and has requested that Vitality write out to her with a statement confirming the current status of the policy, detailing the amount of cover they each have for life and for serious illness cover. This seems sensible and should Mr T and Mrs T not receive this information they should contact Vitality directly.

But in relation to this present complaint for the reasons given I don't find that there was any error or unfairness on Vitality's part when it reduced the cover value, and this being so there is no basis for me to require it to reinstate the original level of cover. For completeness I would add that had Vitality offered to reinstate cover to the original level, this would have resulted in a substantial cost to Mr and Mrs T in back premiums.

I'm sorry that my decision doesn't being Mr and Mrs T welcome news.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 14 November 2025.

Lindsey Woloski
Ombudsman