

The complaint

Mr L is unhappy that The Royal London Mutual Insurance Society Limited has declined a claim he made on a life and critical illness policy.

What happened

Mr L took out a life and critical illness policy via an independent financial advisor (IFA). The policy included 'free cover' which provided temporary cover once the policy is submitted.

The policy application was completed in June 2024 and in early July 2024 Mr L had an appointment with a nurse who completed a medical report. The following month Mr L was diagnosed with prostate cancer and claimed on the policy, but it was declined. Royal London said Mr L hadn't accurately disclosed his medical history during the application process and, had he done so, the policy wouldn't have been offered. Mr L complained to Royal London about the claim being declined and delays in giving him a decision.

Royal London paid Mr L £250 compensation for delays in handling the claim. But they maintained that the decision to decline the claim and cancel the policy was fair. They said Mr L had repeatedly raised or borderline Prostate Specific Antigen (PSA) test results between 2017 and 2024 with regular reviews. They also said he'd been urgently referred to urology in May 2024 with raised PSA and for further investigations. Mr L complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. She thought Royal London had fairly declined the claim in line with the policy terms, and the relevant legislation. She acknowledged there had been delays in handling the claim but thought that £250 compensation fairly reflected the impact on Mr L.

Mr L didn't agree and asked an ombudsman to review his complaint. Mr L said the application was completed in May 2023 and that he completed the application with the IFA (answering questions to the best of his ability). Mr L explained that there was an exploration of issues with his blood pressure related to the application process. He was then advised that his PSA was elevated and, in the middle of this, his application was submitted to Royal London in June 2024. Mr L also said he didn't misrepresent the situation and had no knowledge of any prior prostate issues before May 2024. Furthermore, the underwriting terms weren't explained to him and the whole process was distressing. So, the complaint was referred to me to make 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.

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 thinks Mr L failed to take reasonable care not to make a misrepresentation when he answered questions about his medical history. I've looked at the questions Mr L was asked during the application process. They included:

Apart from anything you have already told us about, in the last 3 years, have you:

- Been prescribed medication or treatment regularly for a period of four consecutive weeks or more, or have you been under the review from your doctor or a medical professional?
- Been referred to a specialist or had, or been advised to have, any investigations?

In addition, apart from anything you have already told us about:

- Do you have any symptoms for which you haven't yet sought medical advice, or are you awaiting referral, investigation, results or treatment for anything else?

Mr L answered 'no' to those questions. Royal London says he ought to have answered 'yes'.

I've looked at the available evidence, and I'm satisfied Mr L ought to have answered 'yes'. Mr L had a history of raised PSA tests and I think it's reasonable that Royal London concluded he remained under review for this. But, even if I accepted that Mr L was unaware of the ongoing PSA tests and the results in the years before the application I'm still persuaded, on balance, that it's most likely he failed to take reasonable care for other reasons which I'll explain below.

Mr L's GP said that the symptoms first started in May 2024 and he was experiencing nocturia (which is the medical term for needing to urinate more frequently at night). Mr L was referred for further investigation, which ultimately led to his diagnosis. I also note there were warnings on the application form about the importance of ensuring the accuracy of the information provided.

I've thought about what Mr L has said about the timeline of events, and that the application process was ongoing for some time, due to ongoing investigations into his blood pressure. However, the application which led to this policy being incepted was submitted in June 2024 and reflected the information provided at that point in time. Royal London is entitled to rely on the information presented in the relevant application. So, I don't think they've acted unreasonably by relying on this information when concluding that there was a misrepresentation.

As Mr L used an IFA Royal London isn't responsible for how the information about the policy was presented to him during the application process and/or what information was recorded. If Mr L has concerns about the information recorded in the relevant application form that was submitted and has led to the decline of the claim that's something he'll need to complain to

the IFA about directly.

I've also considered what Mr L has said about the fact he disclosed the raised PSA and MRI scan during the interview with a nurse in early July 2024. However, I don't think this makes a material difference to the outcome of the complaint. Once this information came to light Royal London said they wanted to know the outcome of the investigations and I'm satisfied they would have still ultimately not offered the policy once the outcome of the tests was known. That's also consistent with the underwriting information I've been provided with.

Royal London has provided evidence of their underwriting criteria. It shows that if they'd been made aware of the symptoms and referral, they'd have postponed the application again and later declined cover. That means I'm satisfied Mr L's misrepresentation was a qualifying one as it would have made a difference to whether they'd have offered the policy to Mr L.

Our investigator concluded, based on the evidence, that no premium had been retained by Royal London. Neither party has disputed that and so I'm satisfied Royal London considered the misrepresentation to be careless rather than deliberate or reckless. I think that leads to a fair and reasonable outcome in the circumstances of this case. That's because I don't think Mr L sought to deliberately mislead Royal London. I think it's more likely he didn't appreciate the significance of the recent symptoms and the importance of that information to Royal London's decision to offer cover.

As I'm satisfied Mr L's misrepresentation should be treated as careless I've looked at the actions Royal London can take in line with CIDRA. It says that Royal London is entitled to avoid the policy, decline the claim and refund the premiums. So, I'm satisfied Royal London has acted in line with the relevant legislation.

In any event, and in the alternative, I think there are further reasons why Royal London has fairly declined the claim. The policy terms and conditions set out that the 'free cover' won't be paid if the information provided when the plan was applied for was incomplete or inaccurate. It also excludes claims linked to a medical condition that we could reasonably have expected the policyholder to know about on or before the date the free cover started. The terms go on to say that includes any illness, disease or condition for which the person received treatment or advice from a medical practitioner. That includes any symptoms experienced even if the person hasn't sought or discussed medical attention with a GP. So, based on the information I've outlined about I think Royal London can reasonably exclude the claim under the policy terms.

Royal London acknowledges the claim wasn't handled as proactively as it could have been. I appreciate it was a worrying time for Mr L and that he had raised expectations of a successful claim. I also can appreciate a quicker decision on the claim would have been beneficial and caused him less distress and inconvenience. However, overall, I think £250 compensation fairly reflects the impact on Mr L and I don't think Royal London needs to do anything further to put things right.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 January 2026.

Anna Wilshaw
Ombudsman