

The complaint

Mrs C complains that The Royal London Mutual Insurance Society Limited declined a claim she made on a critical illness policy and with their administration of the policy.

What happened

Mrs C's policy lapsed due to an administration error related to the waiver of premium. The policy was reinstated. Mrs C complained to Royal London about this and also about a claim that had been declined a few years before.

Royal London paid £250 compensation for the administration error and reinstated the policy. However, they maintained the claim had been declined fairly based on the available medical evidence. Unhappy, Mrs C complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. She thought the claim had been fairly declined. And, she thought Royal London had done enough to put things right in relation to the administration issues as they'd offered compensation and reinstated the policy.

Mrs C didn't agree and asked an ombudsman to review her decision. She highlighted that the policy had previously been mismanaged prior to this issue when the waiver of premiums hadn't been correctly applied. And, she didn't agree that Royal London had fairly declined the claim. 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 rules and industry guidelines say that Royal London has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy was taken out in 2012 and so Royal London is only responsible for claims arising within the period of cover. In 2019 Mrs C began to experience a number of unpleasant symptoms including cognitive difficulties. Due to the Covid-19 pandemic she says she was unable to access a scan until the following year when she was then diagnosed with a stroke. Royal London said that the medical evidence didn't demonstrate that the stroke took place after the date of inception.

I think that was a reasonable conclusion to reach, based on the medical evidence that's been presented. The evidence from the consultant said:

It does have a fairly typical appearance of an old infarct but cannot be dated other than to say it is old – several months at least and it could be very old such as an infarct occurring early in life, for example in childhood.

There is other correspondence which also confirms it's not possible to date the stroke.

I've considered this evidence, the fact that Mrs C was impacted by the pandemic and what she's said about the onset of her symptoms. But I don't think the evidence persuasively demonstrates that Mrs C did experience a stroke within the period of cover. The direct evidence from the consultant highlights that the infarct could be much older. So, I don't think the evidence demonstrates, on the balance of probabilities, that the stroke took place since 2012. Therefore, I think it was fair and reasonable for Royal London to decline the claim.

I appreciate it was disappointing and worrying that the policy lapsed due to an administration error. It appears to have been a human error when completing a task on the system. However, the policy has been reinstated and any claim which took place would have been covered by Royal London, subject to the remaining policy terms. So, whilst I understand Mrs C's concern that she may not have been covered, I'm satisfied that wouldn't have been the case.

Royal London has apologised for what went wrong and offered £250 compensation to Mrs C. I think that fairly reflects the distress and inconvenience caused when she discovered the waiver of premiums process hadn't been correctly followed and the policy had lapsed. I can understand why that was particularly disappointing when she'd had previous issues with the waiver not being applied and Royal London had to issue refunds of the premiums she'd overpaid. However, there would have always been cover under the policy in the event of a claim. So, I think the impact of the administration issues is that Mrs C was understandably worried and disappointed to find that the policy hadn't been administered correctly. So, I think the compensation paid to her in relation to this is fair and reasonable.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 2 March 2026.

Anna Wilshaw
Ombudsman