

The complaint

Miss G, Mr G and Ms G as trustees of the Mrs G trust are unhappy because Royal London Mutual Insurance Society, Limited (THE) trading as Royal London partially settled a claim made on a life insurance policy.

As Miss G has acted as the main representative, I'll refer to all submissions on behalf of the trustees as being made by her.

What happened

Mrs G applied for a life insurance policy in September 2017. She sadly died and a claim was made on the policy. The claim was accepted by Royal London but the full benefit wasn't paid. This was because Royal London said Mrs G hadn't fully declared her medical history during the application process and, had she done so, they would have offered a policy but on different terms.

Miss G complained to Royal London but they maintained their decision was fair. Unhappy, Miss G complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. She was satisfied that Royal London had fairly concluded the medical questions hadn't been answered correctly as Mrs G hadn't disclosed gastric band surgery. She explained that had Mrs G done so she'd have been offered the policy on different terms and Royal London had acted in line with the relevant legislation when proportionately settling the claim.

Miss G didn't agree. She said Royal London had requested medical information at the point of application and were aware of the surgery. And she didn't think the questions were framed around elective procedures. So, she asked an ombudsman to review the complaint.

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 Mrs G failed to take reasonable care when answering questions about her health. In my view the relevant question is:

2. OTHER THAN FOR CONDITIONS THAT YOU HAVE ALREADY TOLD US ABOUT, IN THE LAST 2 YEARS HAVE YOU:

Been under follow-up with your GP surgery, or a specialist, hospital or clinic?

Including:

- Reviews or check-ups that you have been asked to attend even if you did not

You do not need to tell us about routine reviews purely in relation to: Minor injuries, strains or limb fractures, Pregnancy or terminations, Fertility or dental treatment”.

Mrs G answered ‘no’ to that question. I think Royal London reasonably concluded she ought to have answered ‘yes’. Mrs G had a gastric band fitted in July 2015. She remained under regular review with her GP following the surgery. That included an appointment around the time the application was made and an appointment a few months prior to the application. So, I think Mrs G ought reasonably to have disclosed this information in response to the above questions.

Royal London has provided underwriting evidence which demonstrates that if Mrs G had disclosed this information they would have offered the policy but on different terms. They would have offered cover, but at a different price and with a different sum assured. This means I’m satisfied Mrs G’s misrepresentation was a qualifying one.

Royal London has treated Mrs G’s misrepresentation as ‘careless’. I agree as I don’t think the evidence suggests Mrs G tried to mislead Royal London. I think it’s more likely she didn’t appreciate the significance of the information to her application. I’ve therefore looked at the actions Royal London can take in accordance with CIDRA.

In such circumstances Royal London is entitled to settle the claim proportionately. That’s what they’ve agreed to do in this case. So, I think what they’ve done is fair and reasonable in the circumstances.

My final decision

I’m not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss G, Mr G and Ms G as trustees of the Mrs G trust to accept or reject my decision before 16 March 2026.

Anna Wilshaw
Ombudsman