

The complaint

Mr D complains about the premium increase for his Over Fifties Life Plan with Aviva Protection UK Limited.

What happened

Mr D took out an Over Fifties Life Plan with AIG Life Limited in 2018. In 2024, AIG became part of the Aviva group, and I'll refer to the business as Aviva throughout my decision.

Mr D applied for the plan following a meeting with an independent advisor. He chose for the sum assured to increase each year in line with inflation.

Mr D says he was told the premium would also increase in line with inflation, but that it's risen by more than that – he says the sum assured has risen by 25%, but the premiums have increased by around 32%.

Following the annual letter in 2024, Aviva accepted Mr D's instruction to stop the annual increases to the sum assured.

Aviva said the sum assured increased in line with the Retail Prices Index ("RPI"), up to a maximum of 10%. But that the premium escalation factor was 150%. It said the policy had been sold by a broker and that Aviva wasn't responsible for the advice Mr D was given at the point of sale.

Our investigator didn't recommend that the complaint should be upheld. She concluded that Aviva had complied with the terms of the policy.

Mr D didn't agree. He said, in summary, that:

- There was nothing in the documentation to say that the premium would increase by 150% more than the increase in the sum assured.
- When he complained to Aviva, it told him the premium would not increase by more than 10% each year.
- He's paid an extra 50% in premiums for no added value.
- The documentation about the policy, and the correspondence from Aviva, was vague and misleading. Something should be done to stop other people being misled.

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.

Having done so, I find I have come to the same conclusion as the investigator for the following reasons:

Aviva didn't recommend Mr D took out the policy; he received advice from an independent advisor. I can't hold Aviva responsible for anything that the advisor may have told, or not told, Mr D. So in coming to my decision, I've relied on the paperwork Mr D received from Aviva.

Under section B "Your cover", the terms explain how the increasing sum assured works. It says:

"Each year on the anniversary of when your cover started, the sum assured increases in line with the Retail Prices Index, up to a maximum annual increase of 10%. We'll write to you to update you on your new sum assured. The amount you pay will also increase each year."

I'm satisfied that Mr D's sum assured increased each year in line with the RPI as set out in this term. And Aviva notified Mr D of the new sum assured each year.

Under section C1 "Paying for your cover", the terms say:

"If you've chosen increasing cover, your premiums will increase each year. How much extra you pay will depend on your age, and your premium will increase by a higher percentage than the increase to your sum assured."

I'm satisfied that it was made reasonably clear that the premium would increase by a higher percentage than the percentage increase in the sum assured. And this was due to both the increased sum assured, and Mr D's increasing age. I don't find there was any obligation on Aviva to tell Mr D the likely percentage increase in the sum assured, because this was subject to change. I think it was enough to tell him that it would be higher.

In the terms, and in Aviva's response to Mr D's complaint, it said the increase in the sum assured was subject to a maximum annual increase of 10%. I've not seen anything to show that Aviva told Mr D the annual premium increase was subject to the same maximum.

Mr D says he's paid an extra 50% in premiums for no added value. But it was clear at the outset that the premium would increase by a higher percentage; and that that increase would reflect the higher sum assured and Mr D's increasing age.

Aviva wrote to Mr D each year to tell him the increased sum assured, and the new monthly premium figure. Mr D had the option each year not to increase the sum assured.

Mr D says the information from Aviva was vague and misleading. But, as I've set out above, I think the paperwork made it clear that the sum assured would increase each year in line with the RPI and the premiums would increase by a higher percentage. Mr D was made aware of the increase each year. For these reasons I'm satisfied that Aviva acted reasonably, and in line with the agreed policy terms.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 February 2026.

Elizabeth Dawes
Ombudsman

