

## The complaint

Mr D's complaint concerns the administration of his Over 50s Life Plan by Aviva Protection UK Limited. In particular, its handling of his request for a Flexible Premium Request (FPR) and the subsequent lapsing of the policy.

## What happened

Mr D originally took out the policy in 2016. On 2 May 2024 he called Aviva as the collection of its May 2024 premium due the previous day had failed because of insufficient funds. The call handler explained that because of the failure Aviva would attempt to take a double premium at the start of June. Mr D requested an FPR to temporarily reduce the monthly premiums from £71.42 to £30 and it was confirmed that he would be sent a quote for the FPR to which he would need to respond.

Aviva sent the quote a few days later, on 8 May 2024, but Mr D didn't respond. He next contacted Aviva on 3 June 2024, prompted by its attempt to take a double premium, still at the higher rate of £71.42 because the FPR quotation hadn't been responded to. This was explained to Mr D, which he challenged as he felt he had in fact agreed to the quotation. He asked that a complaint be raised to investigate the matter but also confirmed his acceptance of the quote. The call handler explained to him that collection of a double payment would be reattempted but this time at the lower agreed FPR rate of £30.

Aviva then attempted to take the double payment of £60 on 13 June 2024 but again the collection failed. As a result of the continued non-payment, the policy was lapsed on 16 June 2024, and an email confirmation was sent to Mr D to let him know. This prompted him to call Aviva again, on 17 June 2024, as he was very unhappy with the situation.

There was discussion of the FPR process and the failure of Aviva to investigate the complaint Mr D had raised during the call of 8 May 2024. The call handler explained that a further complaint would be logged, and she also asked Mr D if he wanted to reinstate the lapsed policy. He said he would like it left as it was but that he might reinstate it in the future. The call handler explained that reinstatement would no longer be possible once three premiums became outstanding, which would be on 1 July 2024. However, she also went on to indicate that as Mr D had raised a complaint, reinstatement could be looked at once the complaint issues had been dealt with.

Aviva then issued its final response to the complaint on 8 August 2024. This dealt with the matter of the FPR request and offered Mr D £100 in respect of how that had been handled. He didn't accept this and responded to say that his primary concern was his loss of life cover and that the appropriate resolution would be a full refund of all the premiums that had been paid to the policy since 2016.

The complaint was referred to this service, and an investigator concluded it should be upheld. He felt Aviva should pay an additional £150 compensation for the distress and inconvenience caused. But he also said that the policy should be reinstated, or if this wasn't possible a payment made by Aviva to support ongoing funding of a replacement policy on the same terms. The investigator felt this was warranted because the information provided to

Mr D on the 17 June 2024 call regarding the potential for reinstatement to be implemented after the complaint had been investigated had been misleading. He felt that if Mr D had been correctly informed, he would've opted to reinstate the policy at that point.

Aviva didn't accept the investigator's view. It didn't think the call handler's comments had amounted to a guarantee of reinstatement of the policy after the complaint had been dealt with, only that the possibility would be raised with the relevant team.

Mr D broadly accepted the view but felt it unfair that in the event of reinstatement he would be expected to pay the premium arrears, as the investigator had suggested, because he wouldn't have been covered for that period.

As no agreement could be reached the matter was referred to me to review.

I reached a different conclusion to the investigator and issued a provisional decision to the parties in which I explained why I didn't think the complaint should be upheld. I said, in part –

*“As the background above demonstrates, the crux of the complaint is what Mr D was told during the call of 17 June 2024. I'll go on to address that, but I think it's worth me first commenting on the circumstances leading up to the call.*

*In respect of the FPR issue I'm satisfied Aviva acted correctly. On the initial call it explained to Mr D what was required and sent him a quote as indicated, which reiterated what he was told on the call – that he was required to respond. Of note is the fact that he ended the 2 May 2024 call saying that he looked forward to receiving the terms (of the FPR) and would let Aviva know.*

*As the FPR hadn't been implemented as of 1 June 2024, Aviva was correct to attempt collection of a double payment of the full £71.42 premium. Mr D had been told on the 2 May 2024 call that this double collection would happen.*

*During the 3 June 2024 call the FPR was accepted, and Mr D was correctly told that a double payment of the reduced £30 premium would be attempted. So again, Aviva acted correctly in attempting to collect £60 on 13 June 2024. It also acted correctly in lapsing the policy at this point, as the premiums had then been unpaid since April 2024.*

*It does appear to be the case that the complaint that Mr D asked to be raised on the 3 June 2024 call wasn't dealt with correctly. But as at this point Aviva had done nothing wrong, a correct handling of that complaint would've resulted in it not being upheld, so it wouldn't have altered the course of events.*

*This brings us to the call of 17 June 2024. This was also handled correctly, certainly up to the point where the matter of reinstatement was discussed. Mr D was asked if he would like to have the policy reinstated, to which he replied, “No, just leave it as it is, I'd like it kept in abeyance, I may come back to reactivate it but not at the moment, I'm too angry with everything”.*

*The call handler then explained that once three premiums were missed reinstatement would no longer be an option, which would be on 1 July 2024. Mr D then sought clarity on this point, as the call handler had also said that because a complaint was going to be filed then “we'll have this one raised as well to our relevant team”. He asked if this meant that extending the three missed premium period could be considered and the call handler confirmed that was correct. She went on to say that once the issue had been dealt and if Mr D decided to reinstate the cover, then that could be raised with the relevant team. Mr D*

said that he wanted to put on record that he would absolutely want that to be the case.

Clearly this interaction was ambiguous. I accept Aviva's point that no guarantee was given to Mr D that reinstatement after three premiums had been missed would be possible. But I do think the way in which the call handler explained the situation most likely led Mr D to think an extension could well be granted. And as such, he was comfortable leaving the policy lapsed while his complaint was investigated.

So, I agree that Mr D was provided with misleading information at that point. But what I must also consider is what he would've done if he'd been given clearer, correct information – that reinstatement of the policy would not, under any circumstances, be possible if three premiums remained unpaid after 1 July 2024?

Although Mr D didn't ask for reinstatement when initially prompted during the 17 June 2024 call (and I note, didn't ask for it as resolution of his complaint) I think it's plausible he would've done so during the call if he'd been better informed. But that said, I can't be certain that even if he had made such a request, then reinstatement and continued operation of the policy would've been the result.

I say that because it's important to remember that this situation came about because of Mr D being unable to pay the premiums. Even when they'd been reduced to £30, Aviva was unable to collect them. For reinstatement of the policy to have gone ahead Mr D would've had to pay the £60 for May and June and then another £30 on 1 July 2024. The premiums would then have reverted to the much higher original level of £71.42 soon after, in September 2024, as the FPR was only agreed for four months.

I'm also conscious that Mr D had previously put in a place an FPR in 2023, reducing the premium on that occasion to £30 for six months. That previous FPR had ended in October 2023, only six months before he found himself once again found himself unable to meet the premiums in April 2024.

In all the circumstances, on balance, I don't think that a consideration of the wider circumstances supports a finding that if Mr D had been better informed the policy would've been successfully reinstated and maintained. I think the policy had become unaffordable. It may be that the difficulties in making payment were temporary, but the terms of the policy required premiums to be maintained consistently and if this wasn't done, then lapsing was always a strong possibility.

This being so, my current view is that I don't require Aviva to do more than pay Mr D the £100 it has already offered, in respect of the misleading information provided to him during the call of 17 June 2024."

Aviva accepted the outcome and confirmed it would make the £100 payment once confirmation had been received.

Mr D didn't respond to the provisional 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.

Further to my provisional decision, as no further arguments or evidence have been provided, I remain of the view that Aviva doesn't need to do anything more than pay Mr D the £100 already offered.

**My final decision**

For the reasons given, my final decision is that Aviva Protection UK Limited must pay Mr D £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 March 2026.

James Harris  
**Ombudsman**