

The complaint

Mr A's complaint relates to his dealings with Aviva Life & Pensions UK Limited relating to an existing critical illness with life cover policy in 2020. Mr A feels he was encouraged to keep a policy which was no longer suitable for him.

What happened

In 2010 Mr A took out an insurance policy for purposes connected to his mortgage. The policy provided critical illness and life cover for a term of 31 years on a decreasing cover basis. The policy started at just over £100,000 cover and that decreased each year as set out in a schedule in the policy which was intended to match the term and the expected rate of repayment of the mortgage.

The policy was taken out through an intermediary and originally with a different insurer who was later taken over by another business which was in turn taken over by Aviva.

In 2020 Mr A contacted Aviva to ask about his policy as he had repaid his mortgage early and he was unsure what this meant for his policy. Following those calls Mr A continued with the policy.

Mr A's complaint is that during the phone calls in 2020 Aviva created an expectation that the policy was still necessary and valuable after he had repaid his mortgage. Mr A says that although the Aviva representatives did not explicitly recommend keeping the policy they discouraged cancellation by highlighting the ongoing benefits.

Mr A says things were presented in such a way as to steer him into continuing to pay the premiums without highlighting the diminishing value of the cover which was a misrepresentation by omission.

Mr A also feels Aviva failed to consider the ongoing suitability of the policy under Consumer Duty principles.

Aviva did not uphold Mr A's complaint. It does not think it has treated Mr A unfairly. It says it could not provide advice to Mr A, it could only provide information about the policy.

Mr A referred his complaint to the Financial Ombudsman Service claiming a refund of the premiums paid since 2020 and compensation for the distress and inconvenience he has suffered. The complaint was considered by one of our investigators. He did not think the complaint should be upheld. The investigator said Aviva made Mr A aware of his options during the phone calls including his option of cancelling the policy. The investigator also said the present Consumer Duty rules were not in force in 2020.

Mr A does not agree with the investigator and asked for his complaint to be referred to an ombudsman. Mr A made a number of points including:

- Though he was not given advice, the practical effect of the conversations in 2020

was that he was encouraged to retain his policy.

- The Aviva employees emphasised the continued benefits of the policy and framed cancellation in a way that discouraged action.
- As Mr A had told Aviva he had repaid his mortgage this was a material point and the emphasis placed on retaining the policy created a reasonable expectation that the policy remained appropriate.
- It is not enough to say the option of cancellation was given when the overall tone and framing of the discussion influenced the decision to continue paying the premiums.
- The difference between advice and guidance framed to discourage cancellation is central to the complaint.
- The phone call recordings must be considered, not just transcripts. Nuances of tone, emphasis and conversational framing are critical.
- Although the Consumer Duty in its present form was not in force in 2020, the FCA Treating Customers Fairly principles were applicable.
- The complaint is fundamentally about fairness. Once told the mortgage had been repaid a reasonable business acting reasonably would have clearly explained whether the policy remained aligned to the customer's needs. Aviva did not do so.

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.

I have listened to the recordings of the two phone calls Mr A had with Aviva in 2020. I do not agree with Mr A about those calls.

It is the case that neither Aviva representative advised Mr A to cancel the policy. But it was made clear to Mr A that Aviva was not able to give him advice about what was best for him and that he should consider consulting an adviser. Aviva told Mr A he could get quotes from Aviva's website, or from competitors, if he knew what cover he wanted. It was made clear in both calls that the insurance cover was on a decreasing term basis designed to fit in with the term of Mr A's mortgage and that he could cancel it without difficulty.

I do not accept that the conversations with either or both representatives were framed in such a way as to achieve the objective of Mr A continuing with the policy (except in so far as in the second call a direct debit Mr A had cancelled in error was re-instated at his request). Nor do I accept that the benefits of retaining the policy were emphasised over the alternative courses of action that Mr A was told about.

When Mr A found out that the policy did not have to end when the mortgage ended it is clear that Mr A was considering his options and it is not clear from either call that he had yet made a decision. Cancelling the policy was clearly one of Mr A's options and I do not accept that either representative unfairly influenced his decision one way or the other.

The Aviva representatives were not permitted to give Mr A advice and Aviva was not treating him unfairly by not giving him advice, or offering to do so, or in the information it provided to him. Aviva gave Mr A information so he could make a reasonably informed decision about whether to get advice and/or seek quotes for alternative cover and/or cancel or keep the policy. In the circumstances I do not consider that Aviva treated Mr A unfairly.

My final decision

I do not uphold Mr A's complaint against Aviva Life & Pensions UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 May 2026.

Philip Roberts
Ombudsman