

The complaint

Mrs A is unhappy with how Vitality Life Limited administered her life and critical illness policies.

What happened

Mrs A took out a life and critical illness policy. Vitality cancelled the policy and refunded the premiums paid to date as they said Mrs A hadn't accurately declared medical information during the application process. Mrs A complained to Vitality.

Vitality accepted the policy had been cancelled in error and agreed to reinstate it. However, this meant Mrs A needed to pay the premiums for the period that the policy had been cancelled. Vitality agreed to refund a total of three premiums and pay £75 compensation. Unhappy, Mrs A complained to the Financial Ombudsman Service.

Our investigator looked into what happened and upheld the complaint. She recommended Vitality pay a further £100 compensation. She noted that Mrs A had further issues accessing the online portal but that this was being dealt with as a separate complaint.

Mrs A didn't agree and asked an ombudsman to review the complaint. She didn't think the compensation fairly reflected the cumulative impact on her of the various errors. So, I need 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.

It's accepted that Vitality made a number of errors. The policy is now reinstated and the payments are up to date. I think a further £100 compensation is fair and reasonable because:

- Although Vitality agreed to reinstate the policy it the premiums needed to be paid to ensure the policy was backdated to the relevant start date. I think that's reasonable, particularly as Mrs A received a full refund of the premiums to date when the policy was incorrectly cancelled.
- Vitality agreed to waive three months of premiums as Mrs A highlighted that it was a lot of money to pay at once and had the potential to cause her financial hardship. I think that was reasonable and reflected that there had been a number of errors in the administration of the policy. That's in addition to compensation offered by Vitality.
- Vitality offered £75 compensation but I think it's fair to increase that by a further £100 to bring the total award to £175. I think that fairly reflects the distress and inconvenience caused to Mrs A by the repeated errors made during the relevant period. I think she was caused avoidable distress and inconvenience by those repeated errors. It caused her frustration and annoyance - the impact was more than

minimal.

- Mrs A said that £500 compensation would feel fairer. I'm not persuaded that's fair and reasonable in the circumstances of this case. In reaching that conclusion I bear in mind that the policy has been reinstated, Vitality agreed to waive three months' worth of premiums and pay additional compensation. So, overall, I think the £175 compensation is fair and reasonable.

Putting things right

I'm upholding this complaint and direct Vitality to pay £100 compensation in addition to the compensation they've already paid.

My final decision

I'm upholding this complaint and direct Vitality Life Limited to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 5 May 2026.

Anna Wilshaw
Ombudsman