

complaint

Mr and Mrs N are unhappy that a business now owned by Aviva Life Services UK Limited failed to increase the sum assured on their level term assurance with critical illness cover policy when they increased their mortgage borrowing.

background

Mr and Mrs N have said that in 2011 they increased their mortgage and contacted the business to increase the level of cover on the policy to match the new mortgage amount.

They say that during a telephone conversation with an adviser Mrs N was told that the cover would be increased, but the policy would remain the same and if any further information was required they would be contacted. Aviva can't trace the telephone recording of the conversation that took place between the Mrs N and the adviser.

Sadly, in September 2013 Mrs N was diagnosed with cancer. She submitted a claim, which Aviva paid. However, it was at this point she realised that the cover on the policy hadn't been increased in 2011. So the payment was for much less than expected.

Our adjudicator didn't recommend the complaint should be upheld. She found that the type of level term assurance policy Mr and Mrs N held couldn't be altered. Therefore, if they'd wanted to increase the cover they would've needed to take out a top up policy, as they'd done previously in 2003. On balance, the adjudicator reached the view that it would have been unlikely Mrs N would have been told her cover would increase without her having to do anything further.

The adjudicator took the view that if the cover had been increased in 2011, Mr and Mrs N would have had to complete an application form, would have been sent policy documentation and Aviva would have sent details of the separate premium for the cover. However, none of these events happened.

Mr and Mrs N disagreed with the adjudicator's view and asked for the matter to be referred to an ombudsman.

my findings

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, while I recognise it will come as a disappointment, I've find I've reached the same conclusions as the adjudicator and for broadly the same reasons.

I've no reason to doubt Mrs N's recollections about the call she made to the business in 2011 when she and her husband increased their mortgage borrowing. But to uphold the complaint I need to be satisfied that it's more likely than not that Aviva made a mistake in dealing with the request to increase cover.

It may be that whoever Mrs N spoke to gave the impression that obtaining additional cover would be a relatively straightforward process. But it does strike me as unlikely that they would have suggested that nothing at all further was required from Mr and Mrs N to increase the sum assured by such a large amount – more than double the existing level.

Even if the adviser did leave Mrs N with the impression that the requested change had been made it's still the case that no documentation would have been received by them confirming the change. And, importantly, there would've been no change to the premiums they were paying. I know a lot would have been going on at the time with their house move. But I think it's reasonable to expect Mr and Mrs N to have noticed the lack of confirmation and to have double checked the situation with the business.

I note also what's been said about Aviva's takeover of the business; that coming at the same time as Mrs N's request the application could have got in some way caught up and lost in the process. But I've seen nothing that indicates there were any problems of this sort with Aviva's administration.

So, in summary, I recognise how upsetting this situation will have been for Mr and Mrs N. But in all the circumstances I don't think there's sufficient evidence that Aviva acted incorrectly for me to uphold the complaint.

my final decision

For the reasons given, my final decision is that I don't uphold this complaint.

James Harris
ombudsman