

complaint

Mr H complains Old Mutual Wealth Life Assurance Limited failed to tell him 11 of his policies were set to mature so he could extend them. As a result he's lost out on tax benefits which can't be restored.

background

An adjudicator at this service felt Old Mutual's service hadn't been satisfactory but didn't think it should be held liable for Mr H's failure to renew these plans.

He said Old Mutual had already accepted it should've spelt out, in its 2012 letter, that extension packs would no longer be sent, and it had offered Mr H £500 in recognition of this.

It had also offered to add 8% simple interest to the maturity proceeds from the date of maturity to the point Mr H received its final response letter. It further offered Mr H a year's free subscription to CIFAS Protective Registration in light of its data protection breach.

Overall, the adjudicator felt Mr H was responsible for checking anything which seemed unclear, including whether Old Mutual would be continuing to send out renewal reminders.

Mr H didn't agree, and said:

- Old Mutual made no mention of whether it was continuing or stopping sending out renewal packs in its 2012 letter whereas other changes (of no relevance to him) were outlined; so he had no reason to question whether it might be discontinuing this practice
- As a non-professional investor he shouldn't have to scrutinise every letter to see if certain existing practices were no longer referred to
- He was entitled to rely on the business's longstanding practice of notifying him of extension deadlines even though it wasn't contractually obliged to do this
- He took out these policies in 1988 and had received two 10 year renewal reminders; from a fairness perspective, if it was stopping this practice it should've spelt this out to him
- The compensation should reflect his total losses and not simply a token gesture in lieu of inconvenience

As no agreement has been reached this complaint has been passed to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I fully understand Mr H's disappointment at Old Mutual's decision to stop sending out renewal packs and its failure to inform of this. I agree this wasn't good enough.

I also don't think Mr H should've had to scrutinise every document to ascertain whether certain longstanding practices were being discontinued. I'm not surprised he failed to glean Old Mutual's intentions from its 2012 letter.

But, as Mr H recognises, it never promised to automatically send out renewal notices or packs and the terms and conditions do not refer to this. So in my view, it was therefore up to Mr H to ensure he kept track of the maturity dates of his policies so he could ask for a renewal pack in time.

While Old Mutual could and should have done more to make him aware of its decision to stop sending out packs, I don't think it can reasonably be held responsible for Mr H's failure to renew the plans.

I believe Old Mutual was right to pay him £500 for its poor service but I don't believe it should've compensated him for any financial loss arising from the non-renewal of these plans.

I've also considered the data breach protection issue and feel Old Mutual's offer was fair in the circumstances - and roughly the amount I would've awarded if it had not done so.

my final decision

I do not uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 April 2017.

Tony Moss
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