

## **complaint**

Mr and Mrs R complain Santander failed to contact them about the decreasing term assurance (DTA) they took out to cover their mortgage because it did not have their correct address. And because of this they didn't cancel the policy earlier and paid the premiums for longer than they should have done.

## **background**

Santander upheld the complaint. It said Mr and Mrs R had a need for life insurance. But it did not change the address on the policy after they moved house which caused inconvenience when they tried to get information about the policy. Santander offered £100 for the distress caused by this.

Mr and Mrs R didn't agree with the amount of compensation offered by Santander. They said if they had been aware of the policy they would have taken steps to stop paying the premium when the mortgage ended in 2012. So they asked us to consider the matter.

One of our adjudicator's considered the complaint. She said it was reasonable to assume Mr and Mrs R would have been aware of the premium they were paying each month. And Santander weren't obliged to send out regular statements so they would not have received regular communication.

But she said the bank had failed to record the right address for Mr and Mrs R and didn't think the £100 Santander had offered for distress and inconvenience caused by this was enough. She said £250 would be more appropriate.

Santander agreed the amount suggested by the adjudicator but Mr and Mrs R didn't. They said the crux of the matter was Santander had failed to contact them when it should have done. And if they had been contacted they would have cancelled the policy.

As agreement has not been reached the matter has been referred 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.

When moving house in 1993 Mr and Mrs R were advised by Abbey National (now Santander) about a mortgage for the purchase of their new property. As a result of the advice they took out a capital repayment mortgage together with a DTA which provided life cover for the mortgage if one of them died.

Mr and Mrs R completed a questionnaire for Santander to help with their complaint. They said they did not recall much about how the policy was sold. They did refer to there being some haste in arranging it. But also said although they were unsure about the benefit and cost they were aware they could cancel it if they wanted to.

They have not said the advice to take out the DTA was not suitable. But for the avoidance of doubt I think it was appropriate for the adviser to recommend a DTA for the amount and term of the mortgage. They were married with two dependent children at the time so I think the cover was advisable.

Mr and Mrs R have made it clear their complaint is they did not receive correspondence about the DTA in the years after it was taken out. They had forgotten about it until they started online banking in 2014 and noticed the monthly premium. At this point Mr R wrote to the policy provider and it was as a result of this Mr and Mrs R became aware the address the provider had was the property they moved from in 1993 not their current address.

Mr and Mrs R have said if they had received correspondence about the policy they would have cancelled it before 2014. They both had good death in service benefits and they paid off the mortgage in 2012. I have no reason to doubt they would have cancelled the policy at the latest by 2012 if they were aware of it as I can see no reason they would have continued paying for the DTA after the mortgage finished.

The DTA did not require the provider to send them annual statements or other correspondence. But the provider was taken over twice, once in 2006 and then again in 2008. There were no changes to the policy but Mr and Mrs R should have received correspondence about the change in ownership.

I understand why Mr and Mrs R think they would have not paid so much in premiums if they had received the correspondence that should have been sent in 2006 and 2008. This would have reminded them about the policy and they would then have known to cancel it when the mortgage ended in 2012.

But the purpose of writing to them wouldn't have been to remind them of their own policy. Mr and Mrs R will have received the policy documents in 1993 as these will have been sent to their old address before they moved. And they were paying a regular monthly premium which would have appeared on their bank statements. It is not unreasonable for a business to expect its customers to be aware of the policies they have taken out.

The reason the DTA was not cancelled sooner was because Mr and Mrs R had forgotten they had taken it out. It was taken out a long time ago so I don't find that surprising despite the premium showing on Mr and Mrs R's bank statements. But I don't think Santander is responsible for Mr and Mrs R forgetting about the DTA. So I don't think it is responsible for them not cancelling the policy before 2014.

Santander accepts its records should have shown the address Mr and Mrs R moved to, not their old address. It has agreed the figure of £250 suggested by the adjudicator for the distress and inconvenience caused by this and I think this is a reasonable amount.

### **my final decision**

For the reason I have set out above I uphold the complaint and I direct Santander to pay £250 to Mr and Mrs R.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs R to accept or reject my decision before 2 November 2015.

Philip Gibbons  
**ombudsman**