

complaint

Mr and Mrs B are complaining about Zurich Assurance Ltd because they say they didn't know their life insurance policy had been set up as it's been sending details to the wrong address. Because they didn't think the policy was in place, they say they took another elsewhere and have been paying for both when they only needed one. They're also concerned their personal details have been sent to the wrong address for a number of years.

background

In 2001, Mr and Mrs B were moving house and took out a term life insurance policy with Allied Dunbar (now Zurich) to cover their new mortgage. The policy was sold by an Allied Dunbar representative. The first property they were looking to buy didn't go ahead and they ended up buying somewhere different. Unfortunately, Zurich's records weren't updated and since they moved it's been writing to the address they were originally looking to buy.

Our adjudicator recommended the complaint be partly upheld. She thought Mr and Mrs B should have realised the policy had started. But she noted the adviser was aware when their plans changed and said he should have made sure Allied Dunbar's systems were updated. Because that didn't happen, details about the policy have been sent to the wrong address and she recommended Zurich pay £150 compensation for the upset caused.

Zurich disagreed, saying it's not clear why its records weren't updated. It also said any error by the adviser was minor and the suggested amount of compensation is excessive.

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, I agree with the adjudicator's conclusions for much the same reasons. I'm partly upholding this complaint.

I appreciate Mr and Mrs B don't remember receiving the policy documents, which showed the policy was set to run for 31 years. But the evidence suggests they were issued before they moved and sent to the correct address at the time, i.e. their address before they moved. I'm also conscious they've been paying regular monthly premiums since 2001, which would presumably have showed up on bank statements. As far as I can see, Mr and Mrs B were aware they'd applied for life cover and I think they should have been aware this had started. I've no reason to think Zurich wouldn't have paid out on a claim and I don't think there's any grounds on which I can reasonably instruct it to refund the premiums paid.

This aside, it's clear the adviser was involved in the overall house move and arranged Mr and Mrs B's mortgage. As a representative of Allied Dunbar, I think he should have taken care to make sure it had the correct address details. If he'd done that, details of Mr and Mrs B's policies wouldn't have been sent to the wrong address.

It's not for me to consider whether Zurich has breached any rules relating to data protection or to punish it if it has. This is the role of the Information Commissioner's Office (ICO). If Mr and Mrs B have concerns about this, they can refer them direct to the ICO. Details are available on its website – www.ico.org.uk. They should be aware the ICO doesn't normally award compensation to individual consumers.

Nonetheless, I do think discovering their personal details have been sent to the wrong address over a period of many years would have been a concern for Mr and Mrs B and I can award compensation for any upset caused. The amount to award for this is difficult to assess. But in view of the fact the error doesn't seem to have led to them suffering any financial detriment, I think a moderate award of £150 is fair and in line with what we tend to award in similar situations.

my final decision

My final decision is that I partly uphold this complaint. If they accept my decision, Zurich Assurance Ltd must pay Mr and Mrs B compensation of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 18 February 2016.

Jim Biles
ombudsman