

## **The complaint**

Mr P is unhappy that Pinnacle Insurance Plc is transferring his income protection insurance policy to another provider.

## **What happened**

Mr P's income protection policy is being transferred from Pinnacle to another provider. Mr P doesn't want this and the policy was cancelled. He therefore complained to Pinnacle.

In their final response letter Pinnacle said that they had the right to cancel the policy and also explained how Mr P could reinstate his policy if he wanted to. Mr P complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. She thought Pinnacle had acted fairly and in line with the policy terms. Mr P said he'd have never taken out the policy if he'd realised Pinnacle could do this. Our investigator explained that she remained satisfied Pinnacle had acted fairly and said Mr P would need to direct any complaint about the sale of the policy to the business responsible for the sale. As it wasn't possible to resolve the complaint it was referred to me 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.

The key issue in this complaint is Pinnacle's decision to withdraw from the market and transfer the policy to another provider. So, I've considered the relevant industry rules and guidance, including whether Pinnacle has treated Mr P fairly.

The policy terms and conditions say:

### **"14. TERMS AND CONDITIONS**

(i) We may waive or vary the terms and conditions of this policy to reflect changes in the assumptions set out in Section 11 (ii) (c) above which we use to design and price your insurance cover. Such changes may have the effect of increasing or reducing the cover previously provided under this policy...

(iv) You will be given at least 30 days' written notice to your last known address of any alteration to the terms and conditions of cover under this policy unless the change is due to legislative, tax or regulatory requirements. If your cover is changed due to legislative, tax or regulatory changes which are outside of our control, then we may not be able to give you 30 days' notice...

(vii) If we vary or waive your terms and conditions and you do not wish to continue your cover you should contact us to discuss your options. Depending on the type of policy you have, you may be able to change your monthly benefit or change your type of cover. Alternatively you can cancel at any time as set out in Section 13."

## “15. OUR RIGHT TO CANCEL

...

(ii) We may cancel your insurance cover by giving not less than 90 days’ written notice:

(a) In the unlikely event that for any of the reasons listed in Section 11 we expect to experience unsustainable losses for the particular country or market sector that applies to your policy; or

(b) If we decide for reasons of strategy or cost that it is no longer viable for us to continue to provide cover within the particular country or market sector that applies to your policy.

(iii) Any decision to cancel cover will not be made at an individual level and will not be based on whether you have made a claim, except where Section 15 (i) (a), (b), (c) or (d) applies.”

### The transfer of the policy to another provider

I don’t think Pinnacle has treated Mr P unfairly because:

- The policy terms and conditions allow for changes to and cancellation of the policy in certain circumstances.
- Pinnacle has decided to no longer offer this type of policy to customers, including Mr P. That’s a commercial decision Pinnacle is entitled to take. Pinnacle gave Mr P 30 days’ notice that the policy would be transferring to a new provider and would be administered by a different business. I don’t think that’s unreasonable, and I’m satisfied Pinnacle has acted in line with the policy terms.
- I don’t think it was unreasonable that Pinnacle couldn’t guarantee Mr P the terms wouldn’t change once it was transferred to the new provider. This was no longer within their control as it would be up to the new insurer to determine if changes were made to the policy. In any event, Pinnacle had the discretion to change the policy terms (if they gave Mr P appropriate notice) so this is something that could have happened at any time even if Pinnacle had maintained responsibility for the policy. This discretion is therefore something that hasn’t changed with the policy being transferred to a new provider.
- Pinnacle gave Mr P information about how he could cancel the policy and reinstate it if he changed his mind. I think this was fair as Mr P was provided with options about what he could do with the policy in the circumstances.
- Mr P said he didn’t receive the policy terms and conditions. I’ve looked at the documentation Mr P was sent by Pinnacle following the sale of the policy. The documentation refers to the policy terms being attached. Therefore, I think it’s likely that Mr P was sent a copy of the policy terms when he took the policy out. If they weren’t included in the letter, I would have expected Mr P to contact Pinnacle to query this. I can also see that there’s a call note from July 2010 in which Mr P referred to having the policy terms and conditions. Therefore, on balance, I’m persuaded it’s most likely Mr P did have access to the policy terms and conditions for his plan.

- Mr P has had the benefit of cover under the policy since 2010. So, Pinnacle has carried the risk of Mr P making a claim under the policy. Therefore, I don't think it would be fair and reasonable for the premiums to be refunded in the circumstances of this case.
- Mr P has mentioned that he's not working as he has lost his job. I'm sorry to hear that and I understand his concern about the policy terms changing. However, based on what he's said he's not seeking to claim on the policy for an insured event. Therefore, this hasn't changed my thoughts about the outcome of this complaint.
- I appreciate that Mr P has had a similar situation with his life insurance policy and the insurer paid a settlement to him. However, every case is different. And, in the circumstances of this case I think Pinnacle have acted fairly and in line with the policy terms.

### The Mis-sale of the policy

Based on the evidence that's available to me Pinnacle isn't responsible for the sale of the policy. So, if Mr P wishes to pursue a complaint about this issue, he'll need to refer his complaint to the business which is responsible for the sale of the policy. Our investigator has provided Mr P with the details of that business.

### **My final decision**

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 December 2024.

Anna Wilshaw  
**Ombudsman**