



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Mel Stride MP
House of Commons
London
SW1A 0AA

Your ref: MS68646
3 May 2024

Dear Mel,

Thank you for your correspondence dated 5 April to the Chancellor of the Exchequer enclosing correspondence from your constituent, Mr Peter Bull, of Pennycombe Farm Annexe, Kenn, Exeter, Devon, about terminal illness insurance. I am replying as the minister responsible for this policy area. I would first like to acknowledge the committed action taken by Mr Bull, since 2017, on behalf of those with terminal illnesses who find themselves in the most challenging circumstances imaginable.

As your constituent is aware the FCA have undertaken a multi-firm review into insurance companies' approaches to terminal illness benefits. The findings of which were published in October last year and can be found at the FCA's website here:

<https://www.fca.org.uk/publications/multi-firm-reviews/review-terminal-illness-benefits-within-life-insurance-protection-products>

The FCA's findings do not suggest firms are routinely delivering poor customer outcomes for terminal illness benefits. However, the report recognised opportunities for life insurers to deliver improved customer outcomes for what is an inherently vulnerable group of customers. Relevant firms will need to consider the findings of the FCA's review and the FCA will be engaging with individual firms involved in the study and, where firms have fallen short of the FCA's requirements, will be expecting them to take immediate action.

I note that your constituent's latest report raises concerns with the Financial Ombudsman Service (FOS) and its collection of data on terminal illness complaints. It is important to note that although the Treasury sets the legal framework for the regulation of financial services, it has no general power of direction over the FCA or FOS. I understand that Mr Bull has provided copies of his latest report to both the FCA and the FOS, who have considered the findings carefully. It is for the FCA and the FOS, as an independent non-governmental bodies, to determine if any further action is appropriate.

I understand this may be a disappointing response for your constituent. However, please pass on my thanks to Mr Bull for taking the trouble to raise a matter of understandable concern.

Yours ever,

A handwritten signature in black ink, appearing to read 'Bim Afolami', with a long, sweeping underline.

BIM AFOLAMI MP
ECONOMIC SECRETARY TO THE TREASURY