

## Before the Arbiter for Financial Services

**Case 377/2016**

**TG**

**vs**

**Citadel Insurance plc (C21550)**

### Hearing of 28 November 2017

The Arbiter,

Having seen the complaint whereby complainant states that she is filing this case against Citadel Insurance p.l.c. (the service provider) because they are refusing to repay the outstanding loan with HSBC Bank (Malta) p.l.c. ('HSBC') as per the terms and conditions of the *Life Protection Plan* held in the name of TG and her late partner, AAA, following his death in 2013.

TG insisted that despite not recalling "... signing any form requesting the standing order to be cancelled,"<sup>1</sup> the joint policy has lapsed due to failure to pay the required premium. In this respect, TG stated that "*I would like Citadel to admit that the joint policy was cancelled prematurely, affecting the home loan to be at risk whilst unprotected. I would like the Citadel to pay the outstanding mortgage.*"

In their reply, Citadel Insurance p.l.c. submitted that:

Whereas the applicant's complaint is neither unfounded in fact and at law and should be rejected with costs to be borne by the applicant and this inter alia for the following reasons:

1. In the first place, the complaint is premature and cannot be heard since the client failed to communicate the substance of the complaint to the

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<sup>1</sup> Fol 4

respondent, who was therefore not given reasonable opportunity amount of time to consider the complaint prior to its filing before the Arbiter according to article 21 (2)(b);

2. Secondly and without prejudice to the aforementioned, the complainant the complaint is not an eligible client for the purposes of Chapter 555 of the Laws of Malta and this insofar as the complaint relates to the joint life policy issued in the name of the applicant and AAA, and which was pledged to the HSBC Bank (Malta) plc. In fact, it appears that there are persons who inherited AAA and who therefore have manifest interest in these proceedings. Therefore, this complaint cannot proceed in their absence.
3. Thirdly and without prejudice to the aforementioned, Citadel Insurance plc is not the proper defendant insofar as the claimant's claims are concerned since it never gave any advice whatsoever to the applicant and in fact it appear that advice was given to her by third parties. "I have been advised to contact the insurance in order to enquire about a new policy under my own name." It is clear that Citadel did not give such advice.
4. Whereas effectively it is unclear what the applicant is complaining of, that is whether the complaint relates to advice which the claimant allegedly received, whether it relates to the events which transpired relating to the joint policy, or whether she is complaining of the fact that according to her, she did not need a sole policy. The complainant must be clear in her complaint and especially about how such complaint relates to the respondent's conduct.
5. Whereas on the merit and without prejudice to the aforesaid, the complaint is unfounded in fact and at law this because of the following facts:
  - 5.1 Citadel had issued a Life Policy of Insurance (Decreasing Term) No: DT6500XXXXX [the Joint Policy] jointly in the names of AAA and TG. A monthly premium of €26.88 together with policy fee of €1.21 (that is a total of €28.09), was payable monthly from the

29th of May 2009 on the 29th of each subsequent month. On the 3rd June 2009, Citadel received a notice of pledge from HSBC.

- 5.2 The Joint Policy lapsed since the agreed monthly premium was not paid. This emerges clearly from the General Policy Conditions - Loan Protection Insurance Policy which read as follows:

#### Payment of Premiums

- (i) the amount of premiums and the dates on which they are payable are shown in the Schedule.
- (ii) Thirty days of grace are allowed for payment of each premium after the first.

Should a claim arise during this period, the unpaid premium will be deducted from the Benefit(s) payable. If the premium is still unpaid at the end of the days of grace, the Policy will lapse without value.

- (iii) This Policy may be revived within six (6) months from the date of Lapse provided that all premiums and interest thereon are paid and that satisfactory evidence of the Life insured's continued eligibility for insurance is produced without expense to the Company.

- 5.3 The last premium which was paid, was in fact paid on the 15th of December 2011. It results that this policy was paid by direct debit from a joint account that the applicant had with AAA and within which bank account the applicant used to deposit moneys for the premium to be paid. The applicant was aware of the fact that the premium had not been paid but still failed to act upon this. The applicant could have paid but she chose not to.

- 5.4 Following the lapse of the policy consequent to the lack of payment of the premium, such policy could only be revived within six months according to the above-cited conditions. Evidently, for the policy to be revived, the applicant had to make a claim in this sense within the six month period, which claim was clearly not

made. In any case, she would have required AAA's signature (in addition to that of the applicant) however Citadel did not receive any claim in this regard.

- 5.5 It should clearly result that Citadel Insurance p.l.c. did not give any advice to the applicant in respect of how to proceed but simply acted according to the instructions given by the applicant. It is unclear whether the applicant was taking advice from third parties. However, it results that during the relative time period, the applicant was employed with HSBC Bank (Malta) p.l.c. Citadel did not give her any advice.
- 5.6 The applicant wanted to issue a new policy which covered her alone as the sole life assured since her relationship with AAA had ended and, thus, she wanted to transfer the immovable property onto her name together with the loan burdening such property. Therefore, on the 16th of December 2011, the applicant applied for the issuance of the Loan Protection Life Policy of Insurance (Decreasing Term). The policy was intended to come into force on the 27th of December 2011.
- 5.7 Eventually the issuing of the Sole Policy that the applicant wanted to acquire was delayed because the applicant failed to provide the necessary medical information in order for such a policy to be issued. The information was only provided several months later, that is around August 2012 (eight months later) and it concerned surgery which the applicant had undergone.
- 5.8 The Loan Protection Life Policy of Insurance (Decreasing Term) No: DT6500XXXX [Sole Policy] was issued on the 27th of August 2012, that is six days after the insured provided the information which she had been asked to supply on the 16th December 2011.
- 5.9 The applicant only paid two premium instalments on this policy, the last being paid in October 2013.
- 5.10 In any case it results that the bank refused to loan money to the applicant alone and, thus, the afore-mentioned policy (Sole Policy)

was never pledged to the Bank. However, Citadel was not unaware of this, since the issuing of the Sole Policy was but one of the conditions that the bank had requested for the issuing of the loan. Evidently, Citadel had nothing to do with the financial arrangements which the said applicant wanted to enter into.

- 5.11 Throughout this time, the applicant if she so wished, could have kept her joint policy with AAA active, however she failed to take any steps in this direction.
- 5.12 It appears that towards 2013, that is more than a year after the lapse of the policy, TG found out that AAA had passed away. It should be noted here that no notice was given to Citadel with regards to the death of AAA and in fact the respondent does not have any information concerning the circumstances (and the date) of the death of the same.
- 5.13 However, it resulted that, subsequently to the afore-mentioned death, the Bank (which seems to have been informed) did not request payment (evidently because the policy had lapsed) and recently returned the document in question. Evidently, once the lapse of the policy was purely the insured's fault, it could not be revived following the death of one of the insured.
- 5.14 On the 18th of May 2016, the applicant presented a complaint whereby she demanded financial compensation. The complaint was made for the following reasons "Direct Debit for Joint Policy Cancelled prematurely before sole policy was active. Sole policy activated unnecessarily due to mortgage not being accepted." On the 23rd of May 2016, the respondent requested the applicant to resend the complaint using the form provided by respondent. The form containing the complaint was then presented to the respondents on the 20th of June 2016.
- 5.15 Pursuant to this, a meeting was held with the applicant on the 4th of July 2016 where the respondent presented its version of events relating to the complaint to the representatives of the applicant. Subsequently, while the respondent was still gathering all the facts

and thus, before it could take a position regarding the complaint, the applicant proceeded with the filing of these proceedings.

6. With regards to the points raised by the applicant the following shall be said:
  - 6.1 That the Joint Policy had irremediably lapsed and was not in force at the time of death of AAA. Compensation cannot be awarded with regards to an insurance policy that does not exist at the moment in time that the relevant event takes place.
  - 6.2 That with regards to the sole policy, this was issued following an express request by the applicant for reasons that the insurer cannot go into - Citadel, without prejudice is prepared to refund the premium which has been paid in this regard.
  - 6.3 Citadel did not give any advice to the applicant and thus it cannot be held responsible for the natural consequences that ensued from the applicant's own actions.
7. Therefore while it reserving the right to present evidence and make the relevant submissions, the respondent respectfully submits that the applicant's claims should be rejected, with costs to be borne by the said applicant.

Having heard the parties,

Having seen all the documents filed including the final notes of submissions

### **The Arbitrator Considers**

#### **Preliminary Pleas**

The first plea has been withdrawn in the note of submissions by the service provider and, therefore, merits no further examination.

The second plea relates to the eligibility of the complainant to lodge this complaint because, according to the service provider, the policy was a joint life

policy issued in the name of the applicant and AAA, and there is evidence that there are persons who inherited AAA and who, therefore, have manifest interest in these proceedings. Therefore, the complaint cannot proceed in their absence.

The Arbiter notes that the *'General Policy Conditions - Loan Protection Insurance Policy'*<sup>2</sup> clearly states that:

*'If the policy is issued on a joint life basis, all references to the 'Life Insured' should be regarded as applying to both the Lives Insured: provided that the sum insured is payable only on the first death of either of the Insured'.*

It is amply clear that when either of the insured passes away, the sum insured is automatically payable. There is no qualification or reference to the heirs of any of the insured persons.

Moreover, although the Service Provider states that *'it appears that there are persons who inherited AAA and who therefore have manifest interest in these proceedings'*<sup>3</sup> no proof was brought forward by the Service Provider of these heirs.

Furthermore, the complainant is asking to be paid for half the value under the Policy and, therefore, she is in no way prejudicing the rights of any heirs the deceased might have had.

Therefore, this plea is being rejected and the Complainant is considered as an eligible client in accordance with the definition of *'eligible client'* in Chapter 555 of the Laws of Malta.

As to the plea that Citadel Insurance p.l.c. is not the proper defendant, it is evidently clear that the Service Provider issued the policy in question and is, therefore, a proper defendant.

As to the last preliminary plea (plea number 4), the Arbiter is convinced that the complaint is clear to the extent that the Service Provider made a lengthy reply and note of submissions and is therefore rejecting this plea.

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<sup>2</sup> Fol 74

<sup>3</sup> Fol 55

## The Merits of the case

### Considerations

In 2009, TG and AAA took out a Loan Protection Plan (Decreasing Term) from Citadel, with a monthly premium amounting to €28.09 payable by direct debit from a joint account held with HSBC.

In fact, a direct debit mandate<sup>4</sup> has been signed in this regard on 28 May 2009. Since the policy has been taken out for the purpose of the loan in question, it has been pledged in favour of HSBC by virtue of a Notice of Pledge<sup>5</sup> dated 3 June 2009.

Subsequently, in the year 2011, since her relationship with AAA has been terminated, by virtue of a power of attorney given by the same AAA, the complainant planned to purchase AAA's share in their property, and planned to re-finance the loan solely in her name.

Following initial discussions with HSBC, she has been advised to take out a Life Protection Plan, similar to what she held jointly with AAA, but solely in her name. An Illustration<sup>6</sup> dated 16 December 2011 has been provided by Citadel to TG.

On the same day, a proposal form<sup>7</sup> was completed and the first annual premium amounting to €86.80<sup>8</sup> was paid.

TG claimed that she has:

*"... paid for the new sole policy but I haven't been given no information of how this will affect the existing joint policy which has been debiting from the account as a regular payment standing order."*<sup>9</sup>

When completing the proposal form with regards to the single life policy, when one of the questions referred to the fact whether she has had any other life insurance policy in force, she marked 'Yes'<sup>10</sup> and also noted the policy number

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<sup>4</sup> Fol. 49

<sup>5</sup> Fol. 47 & fol. 50

<sup>6</sup> Fol. 107

<sup>7</sup> Fol. 112

<sup>8</sup> Fol. 106

<sup>9</sup> Fol. 4

<sup>10</sup> Fol. 113

of the existing joint life policy. A Policy Schedule<sup>11</sup> has been issued on 27 August 2012.

The eight-month period between the Illustration and premium payment, and the issue of the Policy Schedule was due to the failure by the complainant to provide the medical documentation which was requested by Citadel at the date of proposal.

It transpired however, that eventually, HSBC refused to grant the loan to TG solely in her own name.

During the hearing of the 9 November 2016, whilst giving her evidence,<sup>12</sup> the complainant stated that the last premium payment to Citadel in respect of the joint policy issued in 2009 was made in December 2011, which was the same time when the single life policy was requested from the provider.

This, together with the fact that after that date, “... *no premium was claimed and no premium was paid*”<sup>13</sup> was reiterated in her final statement, when she claimed that:

*“Coincidentally in the same month of me taking this additional policy, the very last payment has debited the account toward the join policy and there is no evidence of any attempt from Citadel requesting the payment from my account.”*<sup>14</sup>

In their Note of Submissions,<sup>15</sup> Citadel claimed that:

*“Citadel received the last payment against the Joint Policy on the 29<sup>th</sup> of November 2011. Citadel did not receive any payments after that date.”*<sup>16</sup>

However, the bank statement<sup>17</sup> showing the transactions made in the joint bank account during the month of December 2011 contradicts what the provider has stated as it clearly shows that the premium for the month of

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<sup>11</sup> Fol. 97

<sup>12</sup> Fol. 160

<sup>13</sup> Fol. 162

<sup>14</sup> Fol. 172

<sup>15</sup> Fol. 173

<sup>16</sup> Fol. 175

<sup>17</sup> Fol. 150

December in respect of the joint life insurance policy amounting to €28.09 was paid on 14 December 2011.

From the bank statements<sup>18</sup> provided, it is also clearly evident that the January 2012 payment has not been deducted. In fact, no withdrawals are noted in the bank statement<sup>19</sup> dated 27 January 2012, and the balance carried forward is that of €29.21, exactly the same as the balance brought forward, amplifying the fact that despite having sufficient funds in the account, the January 2012 premium payment was not made.

The fact that the January 2012 premium was not received has also been confirmed by Mr Alfred Cachia, Citadel's representative, in his affidavit, whereby he declared that:

*"From Citadel's records the last payment made in connection with the policy was on the 15<sup>th</sup> December 2011. After that date no other premium payments were effected in respect of the Policy."*<sup>20</sup>

Citadel has, on various occasions, made reference to the fact that the joint life policy has been cancelled. In fact, during the cross-examination of Mr Alfred Cachia of Citadel, he stated:

*"From our records it results that TG came on the 16<sup>th</sup> December 2011, and made an application to take a sole policy, as instructed by HSBC, because they were restructuring the loan so that she would be fully, solely responsible for the loan. And the second policy was proposed by the Complainant to come into effect on the 27<sup>th</sup> December 2011. So it appears that the first policy was being cancelled."*<sup>21</sup>

Reference to the cancellation has also been made in the final submissions by the provider, where it has been declared that, following the submission of the application for the life policy solely in her own name, the complainant:

*"... stopped depositing funds in the joint account from which the premia were being withdrawn and continued to pay the Sole Policy premium the following*

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<sup>18</sup> Fol. 150 - 158

<sup>19</sup> Fol. 151

<sup>20</sup> Fol. 166

<sup>21</sup> Fol. 170

*year knowing that the Joint Policy had been cancelled and no payments were being made of its premia.”<sup>22</sup>*

However, despite the above statement the service provider failed to present concrete evidence in this regard.

Above all, for such policy to be cancelled, both the signature of the complainant and even that of her late partner was required, implying that since at that time AAA was away from Malta, and their relationship had been terminated, this was not possible to obtain.

Furthermore, considering that the policy in question was pledged in favour of HSBC, the original documentation pertaining to the policy was in HSBC’s possession. Hence, in the event of cancellation of the said policy, such documentation would have been returned to Citadel and the latter would then have evidence in hand of the alleged cancellation.

Citadel failed to produce any evidence regarding the cancellation of the life policy or any other documentation indicating that the couple had given any instructions to cancel the joint policy or revoke the direct debit mandate.

It transpires that Citadel failed to take the necessary actions which resulted in premium payment for the joint policy for the month of January 2012 not being effected as per direct debit mandate.

A direct debit is an agreement between a client and a service provider which gives authority to the provider to withdraw money from the client’s bank account. Payments made by direct debit are usually made through an automatic system whereby Citadel, by virtue of the mandate given by the complainant, would send payment requests to HSBC for the debiting of the bank account in question on the basis of the mandate. The fact that direct debit is an automatic system is also clearly noted in the notes accompanying the Direct Debit Mandate:

*“Why should I start using direct debit? Direct Debit will save you time and possibly money. You will not need to send your payments by cheque or visit our*

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<sup>22</sup> Fol. 178

*office to cover your premium anymore, as this will be done automatically at no cost to you.”<sup>23</sup>*

One of the main benefits of a direct debit is peace of mind that the client will not be missing on a particular payment. By virtue of the mandate, TG and her late partner gave the necessary instructions and authorisations to Citadel, allowing Citadel to arrange and/or manage the necessary set up, which will then lead to Citadel being responsible in taking the necessary actions to initiate the request for payment.

Citadel claimed that:

*“... it would have been HSBC who had to pay Citadel, from the joint account and not the other way round.”<sup>24</sup>*

However, despite the above statement, the Direct Debit Mandate (a copy of which would also be in Citadel’s possession) which was agreed upon by TG and her late partner and HSBC, includes a clause stating the contrary, that is:

*“I/We instruct you to pay by direct debit and until further written notice, from my/our account at the request of Citadel Insurance plc.”<sup>25</sup>*

This Direct Debit Mandate has been forwarded by Citadel to HSBC Direct Debit Centre by means of a formal letter<sup>26</sup> dated 1 June 2009.

Considering that the policy in question was pledged in favour of HSBC, a Notice of Pledge<sup>27</sup> dated 3 June 2009 was forwarded to Citadel that in turn acknowledged receipt of the same Notice on 12 June 2009.

What in this Notice is particularly relevant to this complaint is the following clause, whereby HSBC state that:

*“We shall also be glad to know if, in the event of the renewal premium on the Policy not being paid on due date, you will at once give us notice of such non-payment and extend time for payment for a further period of seven days, in*

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<sup>23</sup> Fol. 49

<sup>24</sup> Fol. 180

<sup>25</sup> Fol. 49

<sup>26</sup> Fol. 51

<sup>27</sup> Fol. 47

*order that we may have an opportunity of communicating with the Policyholder, or if we desire to do so, of, paying the renewal premium ourselves.”<sup>28</sup>*

Citadel acknowledges such clause by stating that:

*“We also undertake to notify you the expiration of the grace period of any renewal premium on the Policy not having been received by us at the time of such notification. No omissions on our part to give such notification shall have the effect of extending the liability under the above Policy beyond that period, or render us liable for any claim for negligence or otherwise for omitting to give such notice.”<sup>29</sup>*

The above clause indicates that, despite the omission statement being included in the clause, Citadel agreed to inform HSBC, who had direct interest in the joint life policy, of the failure of the policyholder to pay the relevant premium, for any action they deem appropriate.

The fact that on failure by the complainant to pay the premium, it could have been HSBC that may have instead paid the premium is also emphasised in the Pledge made between TG and AAA (referred to as the Pledgor or principal Debtor) and HSBC:

*“That in case of default by the Pledgor in the performance of any of his covenants in relation to the said Policy, it shall be lawful for, but not obligatory, upon the Bank to do whatever may be necessary to make good such default, including the payment of premia by the debit of any account the Pledgor may have with the Bank, and that any moneys expended by the Bank in that behalf with interest at the rate aforesaid shall be repaid by the Pledgor and/or principal Debtor on demand and in the meantime shall together with such interest as aforesaid be a charge on the Policy for the time being subject to this security.”<sup>30</sup>*

However, despite the above, HSBC didn't seem to have been notified of the payment's default in January 2012. This clearly implies that, apart from failing to request HSBC the January 2012 premium payment, Citadel has also failed to

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<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> Fol. 48

abide by the terms of the Pledge by not informing HSBC of the failure of premium payment.

## **CONCLUSION**

In the complaint form, the complainant requested Citadel to pay the outstanding loan, whilst in her final statement<sup>31</sup> submitted, she requested Citadel to pay the amount of €38,533.20, which is half the sum insured on the 4<sup>th</sup> year of the policy, which is the year when AAA passed away.

As per Schedule of Reducing Benefit,<sup>32</sup> the sum insured as at 2013, the year when AAA passed away, amounted to €77,066.41, hence the €38,533.20<sup>33</sup> being requested by the complainant.

### **Citadel's failure**

On various occasions, Citadel alleged that the joint life policy has been cancelled – particularly when the complainant has applied for a single life policy. Despite such allegations, Citadel failed to produce evidence regarding the cancellation, if any, or any other documentation indicating that the complainant and her late partner had given any instructions to cancel the joint policy or revoke the direct debit mandate at some time. Neither any other documentation which replaces previous instructions given in this regard has been presented.

Although the service provider alleged that the complainant stopped depositing funds in the joint account, the bank statement<sup>34</sup> shows that despite signing the documentation pertaining to the single life policy, a deposit of €28 was made in the joint account on 22 December 2011.

The service provider does not explain why, despite having sufficient funds in the account, no further premium payments, in particular, that of January 2012 had been deducted.

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<sup>31</sup> Fol. 172

<sup>32</sup> Fol. 10

<sup>33</sup> €77,066.41 / 2 = €38,533.21

<sup>34</sup> Fol. 150

Considering that no evidence to the contrary has been submitted, it results that Citadel were responsible in requesting HSBC to debit the joint account with the amount of €28.09 representing the premium payment for January 2012. Had such request been made but payment failed to be effected as a result of insufficient funds in the account, as is being claimed by Citadel,<sup>35</sup> HSBC would have imposed a flat fee which currently stands at €5 and is described as “SEPA Direct Debits returned by us due to insufficient funds.”<sup>36</sup> This was, however, not the case as such tariff has not featured in the bank statements provided. The same would apply for the month of February 2012 and the subsequent months.

On failure to pay the January 2012 premium, the complainant did not receive any reminders as the normal practice adopted by Citadel. In fact, it emerged that when TG failed to pay the premium due in August 2013 in respect of the insurance policy issued solely in her own name, she has, rightly so, been issued with various reminders.

However, this seemed not to be the case when the premium payment in respect of the joint policy was not received. Based on its actions in relation to the single life policy, it seems that the provider adopts such practices, but for some reason or another, the complainant never received any notifications in this regard for the joint policy.

As it has been previously mentioned, Citadel has also failed to inform HSBC of the default of the January 2012 premium payment as agreed in the Notice of Pledge,<sup>37</sup> although being cognisant of the possibility of an alternative for such payment to be made. If Citadel had complied with the terms as per Notice of Pledge and informed HSBC of such failure, the complainant could have been approached by HSBC or the latter could have even paid the relevant premium thus avoiding the possibility of default.

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<sup>35</sup> “She stopped depositing funds in the joint account from which the premia were being withdrawn and continued to pay the Sole Policy premium the following year knowing that the Joint Policy had been cancelled and no payments were being made of its premia.” – fol. 178

<sup>36</sup> [https://www.hsbc.com.mt/1/PA\\_esf-ca-app-content/content/malta/personal/common/pdf/hbmt\\_general\\_tariff.pdf](https://www.hsbc.com.mt/1/PA_esf-ca-app-content/content/malta/personal/common/pdf/hbmt_general_tariff.pdf)

<sup>37</sup> Fol. 47

**The Arbiter must decide this complaint on what is fair, equitable, and reasonable in the particular circumstance of the case.<sup>38</sup>**

The Arbiter is considering the complaint to be fair, equitable and reasonable for the above-stated reasons, briefly that:

- Despite the allegations that the joint life policy had been cancelled – particularly when the complainant has applied for a single life policy, Citadel failed to produce evidence regarding the cancellation;
- By virtue of the direct debit mandate, Citadel were responsible in requesting HSBC to debit the joint account for the January 2012 premium payment. However, it seems that such request was not made despite that there were sufficient funds in the joint account and such payment was not made.
- Although it was normal practice adopted by Citadel, the complainant did not receive any reminders from Citadel of the failure to pay the January 2012 premium payment;
- Citadel has also failed to inform HSBC of the default of the January 2012 premium payment as agreed in the Notice of Pledge, although being cognisant of the possibility of an alternative for such payment to be made.

## **Compensation**

In order to establish compensation, reference is made to the Schedule of Reducing Benefit,<sup>39</sup> the same Schedule which has been considered by the complainant, based on which, she requested Citadel to pay the amount of €38,533.20. Since the complainant continued with the loan repayments till August 2016, the outstanding balance has eventually decreased, so it is reasonable that the compensation will be based on the year 2016.

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<sup>38</sup> CAP 555, Art 19(3)(b)

<sup>39</sup> Fol. nmo10

The year 2016, is the 7<sup>th</sup> year of the policy (policy commenced in 2009) and thus, based on the same Schedule,<sup>40</sup> the sum insured amounts to €73,839.90.

Considering that it was the complainant herself that requested Citadel half of the sum insured, the same would apply to the sum insured in the year 2016 resulting in the sum of €36,919, 95.

In this respect, in accordance with Article 26(3)(c)(iv) of Chapter 555 of the Laws of Malta, the Arbiter orders Citadel Insurance p.l.c. to pay the complainant the sum of €36,919.95,<sup>41</sup> which amount can be used by the complainant to pay the outstanding loan with HSBC, if any, as has been requested in the original complaint.

Dr Reno Borg  
Arbiter for Financial Services

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<sup>40</sup> Ibid

<sup>41</sup> Fol. 10 - Sum Insured in 2016 (Year 7) amounts to €73,839.90. This divided by two amounts to €36,919.95.