

## **The complaint**

Mr and Mrs R have complained that Legal and General Assurance Society Limited grossly mishandled their terminal illness claim under their joint life assurance policy.

## **What happened**

Mr and Mrs R made a claim on their joint level term life assurance policy in April 2021 after Mr R was given a terminal diagnosis due to chronic liver disease. Mr R also had cancer. The policy had a sum insured of £40,000. Mr and Mrs R provided a claim form to L&G on 30 April 2021 and listed three doctors as involved in treating Mr R – an oncologist, a gastroenterologist and Mr R's GP. Mr and Mrs R complained to L&G about the delay on their claim in September 2021. L&G eventually issued its final response to their complaint on 2 December 2021, after Mr and Mrs R had asked us to consider their complaint. In this L&G accepted that due to errors and delays in the investigation of Mr and Mrs R's claim it was settled at the beginning of December 2021 when this should have happened at the end of July 2021. L&G agreed to pay interest on the amount due in settlement of the claim and paid £600 in compensation for the distress and inconvenience Mr and Mrs R had experienced as a result of the delay in settling their claim.

One of our investigators considered Mr and Mrs R's complaint. In his first assessment he said he felt what L&G had paid in compensation was adequate. However, following further evidence from Mr and Mrs R on the impact the delay in settling the claim had on them, he issued a second assessment in which he set out the impact the delay had on Mr and Mrs R in detail and suggested L&G should pay £5,000 in total in compensation for distress and inconvenience.

L&G does not agree with the investigator's second assessment and has asked for an ombudsman's decision. It's said that Mr and Mrs R were clearly struggling financially before they submitted their claim. Therefore, L&G shouldn't be held accountable for the distress and inconvenience they suffered for the financial struggles they continued to have whilst their claim was assessed. It has said it is not convinced Mr R would have been well enough to go on a holiday if the claim had been settled earlier and there's no real indication that improvements to their garden would have been completed in time to allow Mr R to use it before the winter period. It's also pointed out that at no point in the complaint process did Mr and Mrs R make them aware of the issues they've raised in response to the investigator's original assessment.

## **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.

It is not in dispute that Mr and Mrs R's claim took about four months longer to settle than it should have done. And I agree this clearly had a significant impact on them in terms of distress and inconvenience. I appreciate they didn't explain fully the issues the delay on the claim caused for them when they complained to L&G, but my role is to decide the fair and reasonable outcome to this complaint in light of all the evidence provided. So, I think it is

appropriate for me to take into account what Mr and Mrs R have said to us as part of our investigation and assessment of their complaint. And our investigator has provided all this information to L&G and it has had the chance to consider it and provide its comments.

Mr and Mrs R have explained that because of his illnesses Mr R was constantly cold and this meant they were spending around £300 on energy bills to try and keep their home as warm as possible. But, even with some help from a charity, which enabled them to reduce this to about £230, they couldn't afford to heat their home as they would have wanted. And Mr R spent a considerable amount more time in bed so he could stay warm because of this. And, I'm satisfied that this was the case and that if Mr and Mrs R had received the claim payment at the end of July, they'd have been able to afford to heat their home properly in the period between then and December when the claim was eventually paid. And that they'd have enjoyed a much more comfortable standard of living in a very difficult time. I appreciate that it may have been a bit warmer in August and September, so the heating would have been on a lower setting and possibly for slightly less time than in October and November, but with Mr R's conditions it would still have needed to be on significantly more than normal. In summary, Mr and Mrs R have said that their life was a real struggle and life was basic with 'no treats' due to financial constraints the claim settlement should have alleviated a lot earlier. And they were extremely distressed as a result of this.

I appreciate L&G has argued Mr and Mrs R were struggling financially before their claim, but it seems to have missed the point that if the claim had been paid when it should have been they would have struggled for four months less. So I do think they suffered very significant distress and inconvenience as a result of the financial impact the late payment of their claim had on them. The fact Mr R was cold all the time must have been very distressing for him at a time when he was also dealing with the mental impact of a terminal prognosis. And it must also have been very distressing for Mrs R to know her husband was suffering in this way.

Mr and Mrs R have also explained that if they'd had the claim settlement at the end of July they'd have installed a stairlift, so Mr R could have used more of their home. Also, they've said they'd have had the garden landscaped so it was safe for him to make more use of this. Obviously, it is difficult to know how quickly both these things could have been done. And, it does seem quite unlikely the garden would have been landscaped in time for Mr R to enjoy it for long before the colder autumn and winter months. But, irrespective of this, it must have been very distressing for Mr and Mrs R to not be able to move forward with either of these projects. Plus, I think it is quite likely the stairlift could have been put in very quickly. And it is also possible that Mr R lost at least some time in their garden in warmer sunny periods due to not having the funds they needed to sort this out. So, I also think Mr R suffered additional distress and inconvenience for not actually being able to make as much use of his home and garden as should have been the case. This reflects the fact it was in a period when Mr R's health was likely to have been better than was the case once they did have the funds to move forward with these projects.

Mr and Mrs R have also explained how they would have taken a holiday in the late summer of 2021 if they'd received the claim settlement when they should have done. This would have been to a place they liked and had happy memories of from previous visits. And they've explained it was too late due to the weather and the progression of Mr R's illness by the time they received the settlement. L&G has suggested that this would have been unlikely due to the pandemic and Mr R's health at this time. However, I don't agree. I'm satisfied he could have travelled and, if they'd had self-catering accommodation where they could isolate, the pandemic would not have been a major issue for them. So, I think it is most likely they did miss out on what may have been the last holiday they could really have enjoyed together. And I accept that this would have been extremely distressing and I think is clearly something that has had a very significant negative impact on them both.

Mr R has also explained the overall impact the poor handling of the claim had on him and Mrs R. In particular, he's described the mental strain on Mrs R, due to her worrying about his health and the fact they could not create the happy memories during the time his health allowed it. He's also explained that one of the symptoms of his liver disease is sleeplessness and that this wasn't helped by the worry of their claim not being properly handled. And that worrying about the claim was the last thing Mrs R would have wanted for her husband in what was an awful time anyway due to his illness and terminal prognosis. This again shows they suffered extremely significant distress and inconvenience.

### **Putting things right**

It will be clear from what I've said that I accept that the four month delay in L&G paying Mr and Mrs R's claim due to errors on its part caused Mr and Mrs R sustained distress, affecting both Mr R's physical health and had a significant impact on them mentally. It caused severe disruption to their daily life in terms of Mr R not being as comfortable, as he should have been. And it led to Mrs R being worried about this for a long period in what was a distressing time for them any way due to Mr R's terminal prognosis. I class all this as having a very serious impact on them. Bearing all this in mind, I think a very significant award for distress and inconvenience is appropriate in this particular set of circumstances. And, I agree with our investigator that an overall award of £5,000 for distress and inconvenience is the fair and reasonable outcome to Mr and Mrs R's complaint. L&G has already paid them £600, so this means it will need to pay them a further £4,400.

### **My final decision**

For the reasons set out above, my final decision is that I uphold Mr and Mrs R's complaint about Legal and General Assurance Society Limited and award them a further £4,400 in compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 25 May 2022.

Robert Short  
**Ombudsman**