

## **The complaint**

Ms T complains Zurich Assurance Ltd delayed a life insurance claim made following her husband's death.

## **What happened**

As both parties are familiar with what happened I'll only summarise events below.

Ms T and her now late husband, Mr T, held joint level protection and decreasing mortgage policies with Zurich. Both provided life cover, and Zurich began to assess a claim under this provision when Mr T passed away in December 2021.

Zurich received an interim death certificate for Mr T in January 2022 but said it couldn't determine the claim at that point. It said it needed the coroner's inquest due to take place to be completed, so it could determine the cause of death didn't affect the claim being settled in full.

By April 2022 a decision still hadn't been reached by Zurich and Ms T complained about the time it was taking. Zurich explained its intention was to settle claims in a prompt and efficient manner, but reiterated its reasons for not yet having decided matters. It did make an interim payment to Ms T in June 2022 because she was beginning to experience financial difficulty. But as it still hadn't determined the claim by August 2022 Ms T brought her complaint to this service.

Our investigator upheld the complaint. They felt there wasn't sufficient evidence to show why the claim couldn't have been determined in view of the relevant policy terms and exclusions whilst the inquest remained ongoing. So, they recommended Zurich paid the remainder of the claim as a result, plus 8% simple interest from 4 February 2022 to the date of settlement.

Ms T accepted that recommendation, but Zurich did not. It said it'd been trying to gather all the relevant information to determine the claim and needed to ensure there was no criminality or third party involvement. It said neither of those things could be concluded without the inquest being completed, or the coroner's report, and so as no agreement was reached the complaint was passed to me to decide.

Prior to a decision being reached Zurich said it had received the coroner's report and settled the claim. Ms T said the amounts it had paid her were less than she expected though, and she noted the interest included with the settlement wasn't in line with our investigator's recommendation.

Zurich told our investigator that during its review it noticed the dates of birth for Ms T and Mr T had been recorded incorrectly. It said the settlement figures since paid had reflected the correct sums assured in view of that, some interest had been included too, and it could not have determined the claim any sooner. So, I now need 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.

I was very sorry to read about Mr T's death; my condolences go to Ms T and her family.

Ms T is unhappy with the amount of settlement since received. I understand the confusion with, and impact of, the dates of birth are already subject to separate complaint. So it wouldn't be appropriate of me to address the settlement amount here. I will still address the delay elements however, and for the reasons I'll now explain will be upholding this complaint.

Zurich has a responsibility to handle claims both promptly and fairly. The life cover available under the two joint policies was detailed in their respective terms and conditions. They both explained the following:

### ***"Claiming for the life cover***

*The person dealing with the claim will need to complete a form we provide. We may need the death certificate, proof of identity and, where applicable, reasonable evidence that the person dealing with the claim is entitled to claim (for example, a grant of probate showing that he or she is the executor of your estate). They must pay any costs incurred in providing these. Where it is reasonable to do so, we can also ask for medical evidence and information regarding the cause and/or circumstances of death. We'll tell the person dealing with your affairs what we need when they make a claim."*

The terms and conditions also set out the circumstances in which a claim would not be paid, and again, both said:

### ***"When we won't pay***

*We won't pay a life cover claim if:*

- *you haven't made all payments that were due*
- *you commit suicide within 12 months of the date the plan started or is reinstated. Instead, we'll refund the payments you've made since the plan started or was reinstated*
- *the cause of the claim arises from the circumstances stated in any specific exclusions on your plan schedule."*

Zurich has explained why it didn't believe it was in a position to determine this claim any sooner than it did. I thank it for setting that out and appreciate the reasons put forward (needing the inquest to be completed and cause of death from the coroner, wanting to rule out any third party involvement, and wanting to rule out any criminal activity). But I'm not persuaded Zurich has established how those things would have applied to the above circumstances in which a claim wouldn't be paid.

For example, this service hasn't been advised of any payments not made towards either policy. Both policies had been in place for more than 12 months too. And neither schedule detailed any specific exclusions. So, like the investigator before me, I'm not persuaded that any of the circumstances cited in the above terms would have applied here.

Zurich is entitled to have the time to validate and determine claims of course, but I can't fairly conclude that the time taken to do so here was reasonable. Zurich was provided with an

interim death certificate for Mr T on 17 January 2022, and that set out the precise cause of his death. Zurich was also told of the inquest on 26 January 2022. And given I'm unsure how any of the subsequent reasons it put forward for not determining the claim would have impacted the above terms, I too think Zurich should have been in a position to determine this claim from early February 2022.

As a result, Ms T was without this settlement for much longer than I think she needed to be, and I agree that interest should be awarded to it.

Zurich has already included some interest in the settlement it paid under both policies. This totalled just over £83. Given the above findings I don't think that accurately reflected the amount of time Ms T was without this settlement. So, I think Zurich needs to recalculate the interest aspect of it in the way I will now detail below.

### **Putting things right**

To put things right Zurich should:

- pay interest on the total settlement, from 4 February 2022 to the date of settlement, at a rate of 8% simple per annum
- deduct from the above amount any interest it has already paid

### **My final decision**

My final decision is that I uphold this complaint. Zurich Assurance Ltd should put things right in the way I have described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 19 June 2023.

Jade Alexander  
**Ombudsman**