

The complaint

Mr W complains that his critical illness cover has been cancelled when it shouldn't have been because London and Country Mortgages Ltd (LCM) didn't provide the information it should have done to the insurer.

What happened

In 2021 Mr W was purchasing a new property and sought advice about his protection needs from LCM. It advised him to take out a new joint DTA with L&G and cancel his existing joint DTA with the insurer which didn't cover his increased mortgage. He also had a separate CIC policy at the time with L&G which he wanted to keep.

He applied for the new DTA on 16 August 2021 but couldn't provide the policy number to cancel his existing DTA as he didn't have this to hand at the time. L&G wouldn't proceed with his application for the new DTA without being provided with the policy number for the existing DTA so that it could cancel this at the point the new DTA was due to start.

This was explained to Mr W by LCM in a telephone call on 18 August 2021 – at which time Mr W didn't have the policy number to hand - and in a follow up email the same date. LCM chased this up with a further email on 23 August 2021. Mr W then emailed a policy number to LCM on 25 August 2021 which the adviser provided to L&G.

However, the terms of L&G's offer for the new DTA only remained available until 8 November 2021 and due to delays in purchase of the property this date was missed. The terms of its offer therefore had to be refreshed and in the course of this being done Mr W needed to again provide the policy number for the existing DTA. He didn't provide this to L&G in the course of giving it further information to allow his application for a new DTA to proceed so LCM requested this again at which point he provided the correct policy number for the DTA which LCM passed on to L&G.

The new DTA subsequently came into force and both the existing DTA and CIC policies were cancelled by L&G as from 2 February 2022. Mr W only became aware that the CIC policy had been cancelled some months later and this led to him complaining to LCM.

It didn't uphold the complaint. It said that Mr W had provided the policy number for the CIC initially which it had passed on to L&G and it could only go on the information he provided. It said he had only provided the correct policy number for the DTA later and it had no reason to check this as against the number previously given.

Mr W referred his complaint to our service and one of our investigators considered it but didn't think LCM had done anything wrong in simply passing the policy numbers provided by Mr W onto the insurer.

Mr W didn't agree with the investigator and so the matter has been referred to me for review.

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.

Having done so I agree with the conclusion of the investigator, I don't think LCM did anything wrong.

It is obviously upsetting for Mr W to have lost the CIC he had intended to keep. From what I have seen it appears it will cost him a total additional amount of £1,440 to take out a new CIC policy and I can understand why he doesn't want to pay this when he never intended or expected his CIC policy to be cancelled.

However, I can't blame LCM for providing L&G with the policy number he provided to it in August 2021, which he thought at the time was for his existing DTA and which was provided to LCM on that basis. I acknowledge he said to LCM *'I think I have found the policy number'* which perhaps indicated he wasn't entirely sure but it had no reason to question his thinking and it wasn't unreasonable for it to pass on the policy number he thought was the right one for his existing DTA.

Mr W's argument seems to be that the policy number he subsequently provided in January 2022 should have been the one used. However, in both cases Mr W didn't provide the policy numbers on completing the application for a new DTA. Instead he provided this information to LCM separately, when it contacted him about this because L&G wouldn't proceed with his application for a new DTA without the policy number for his existing DTA.

In both cases LCM passed the policy numbers he provided to it onto L&G through a live chat facility that was available to it. In other words once it had passed the first policy number on in August 2021 this will have been recorded on L&G's systems and LCM had nothing further to do with that policy number or what L&G did with it.

When Mr W was asked to provide the policy number for the existing DTA again in January 2022 and provided a different policy number to the one he provided five months previously which was the right one for his existing DTA, LCM had no reason to think the policy numbers might be different. It isn't reasonable to expect that the adviser at LCM would have recalled the previous policy number.

The only way LCM could have known there was anything wrong was if it had gone back through its records and identified that the two policy numbers didn't match. However, it isn't reasonable to have expected it go back through its records when it had no reason to think there was anything wrong in the first place. Put another way, it was reasonable for it to have expected Mr W to provide the correct information on both occasions such that it didn't need to check that he had done so.

My final decision

I don't uphold this complaint for the reasons I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 December 2023.

Philip Gibbons
Ombudsman