

The complaint

Ms R has complained about Legal and General Assurance Society Limited's (L&G's) handling of waiver of premium claim under her life assurance policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again in full here. In summary L&G has now agreed to meet Ms R's claim with interest and pay her compensation. Our investigator thought this was fair. Ms R asked for an ombudsman to decide.

As Ms R is aware, in this decision I'm only considering her waiver of premium complaint, other matters having already been considered.

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've focused on what I find are the key issues here, our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've fully reviewed the file and considered the representations Ms R has made. Having done so I agree with the conclusions reached by the investigator for these reasons:

- Having told Ms R it would waive the premiums on her life policy, it didn't do so but continued to collect premiums from Ms R. L&G accepts that it should have actioned Ms R's waiver claim and in recognition of the distress and inconvenience caused to Ms R it apologised and offered £500 compensation. I should point out that it is not for this service to punish financial businesses for errors; rather we look to see what impact that error or omission has had on the consumer.
- I agree that compensation is due for the error which caused delay. Ms R has explained how stressful and traumatic this time has been for her. The situation was affecting her mental health, she was vulnerable, without finances and had to keep chasing L&G - on occasion not getting a reply to her emails. Awarding financial compensation is not an exact science and it is difficult to measure distress and inconvenience caused. But in the circumstances, I'm satisfied a total payment of £500 is fair.
- L&G backdated the waiver of premium claim to 22 February 2022 and refunded the premiums Ms R had paid. It has also offered to pay simple interest at 8% per year on the premiums collected in error. This puts Ms R back in the position she should have been in financially had the error not occurred. Together with the compensation, I find this is a fair and reasonable resolution to the complaint.

My final decision

Legal and General Assurance Society Limited has now made an offer to settle the complaint that I find is fair in all the circumstances.

My final decision is that Legal and General Assurance Society Limited should:

- Pay Ms R £500 in compensation if it hasn't already done so.
- Pay simple interest of 8% per year on the premiums collected in error from the date of collection until settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 14 September 2023.

Lindsey Woloski
Ombudsman