

## The complaint

Mr M and Mrs R complain that Legal and General Assurance Society Limited (L&G) is unfairly pursuing them for repayment of the premiums they reclaimed via a direct debit indemnity claim (DDIC) through their bank.

## What happened

I understand that Mr M and Mrs R received a refund of over £7,700 via a DDIC in respect of life assurance and critical illness policies they held with L&G. Mr M and Mrs R say they wrote to L&G in December 2015, cancelling the policies. When they referred their complaint to this service, they provided a copy of a certificate of posting dated December 2015 and a copy of a letter also dated December 2015, from Mrs R asking L&G to cancel five policies that she held with it.

L&G has no record of having received a letter from either Mr M or Mrs R asking it to cancel the policies they held with it in December 2015, or at any other time.

In 2019 it appears that Mr M and Mrs R noticed that the direct debits for the seven policies they had taken out with L&G were still being taken from their business account. They used a DDIC to reclaim the premiums via their bank.

In 2021, L&G instructed solicitors to seek repayment of the premiums that Mr M and Mrs R had reclaimed using the DDIC. L&G said it did not accept that a valid cancellation of the policies had been made in December 2015. It said that, as the direct debits continued to be deducted until the date of the indemnity claims Mr M and Mrs R made in October 2019, it felt it would have been clear to them that the cancellation had not been received in late 2015, and the policies remained in effect. It said:

*The fact that the monthly direct debits continued to be deducted would have been clear from a statement from the relevant bank account. It is not credible for you to now say that you were unaware that the policies were in place.*

Our investigator said he felt the complaint should be upheld in part. He noted that the letter Mr M and Mrs R provided to this service, that they said had been sent to L&G in December 2015, only referred to policies held by Mrs R. (He initially said the letter had referred to policies held by Mr M but corrected his position in subsequent correspondence to Mr M and Mrs R and L&G.) He said he felt the certificate of posting Mr M and Mrs R had provided showed Mrs R had written to L&G in December 2015.

But he said he felt Mr M and Mrs R should have checked their bank statements to confirm that the payments for the policies were not being taken. He noted that the premiums for the seven policies Mr M and Mrs R held with L&G continued to be taken until late 2019. He acknowledged that the premiums were taken from a business account which was dealt with by Mr M and Mrs R's accountant. But he said he felt they should have checked the statements to confirm that the direct debits for the policies they wanted to cancel had not been taken.

To put matters right he said he felt L&G should not pursue Mrs R for the repayment of *half* the value of the DDIC she had made, in respect of the policies she had referred to in the letter she sent to L&G dated December 2015. He said although he accepted Mrs R had written to L&G in December 2015, he didn't think Mrs R and Mr M had done enough to ensure that the payments had been stopped. In particular he noted that they had not checked their bank statements, to ensure the payments were not being taken, for nearly four years after Mrs R wrote to L&G asking it to cancel the policies.

He also said he hadn't seen anything that showed Mr M had tried to cancel the other two policies.

L&G accepted our investigator's view, having confirmed that it only related to the policies listed in the letter Mrs R had sent to it (but had not been received by L&G) in December 2015.

Mr M and Mrs R said they accepted the investigator's view but wanted the additional policies that were held by Mr M to also be included in the redress award. After some delays Mr M provided this service with a copy of a letter, he said he had sent at the same time as Mrs R sent her letter in December 2015. This letter used near identical wording to the letter Mrs R had sent, but listed the policies Mr M held.

### **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 don't think L&G needs to do any more than it has already agreed to do to put matters right. I'll explain why.

When Mr M and Mrs R referred their complaint to this service they said:

*'...we had acted accordingly to cancel the policy. **I enclose all emails and proofs of that time.**'*

(bold is my emphasis)

They enclosed a copy of the letter from Mrs R to L&G dated 4 December 2015, a certificate of posting dated 8 December 2015 and a copy of an email from their bank referring to messages it had received about cancelling policies. They did not provide anything to show that Mr M had tried to contact L&G to cancel the policies he held with it.

It is not clear to me why, if Mr M sent a separate letter to L&G at the same time as Mrs R wrote to it in December 2015, he did not provide a copy to this service when he referred the matter to us. Likewise, I must take into account that Mr M told this service that he had provided *'all emails and proofs of that time'*.

It is also unclear to me why Mr M did not provide this letter to L&G either when it was investigating this complaint, or when he received its final response letter in August 2022. I note the final response letter made clear that it had no record of any attempt by Mr M to cancel the policies he held with it. The letter clearly set out:

*You say that Mrs R asked us to cancel her policies on 4 December 2015 as the policies didn't suit her requirements...*

*Legal & General have no record of receiving any correspondence from Mrs R regarding the*

*cancellation of her policies. **We also haven't received any correspondence from Mr M requesting the cancellation of his two policies.***

(bold is my emphasis)

Where the evidence available is inconclusive, or not available, I must reach my decision on the balance of probabilities, that is to say what I think is most likely to have happened based on the evidence and information available. Having carefully considered this matter I cannot safely find that Mr M did write to L&G in December 2015, or at any time since then to ask it to cancel the policies he had taken out. I therefore cannot reasonably say that L&G should write off the value of the premiums for Mr M's policies that were reclaimed via the DDIC.

As L&G accepted our investigator's view to write off half the value of the DDIC Mr M and Mrs R made in connection with the policies Mrs R took out, I have not re-considered this aspect of their complaint.

### **Putting things right**

To put matters right L&G should write off half of the amount Mr and Mrs R received in connection with the DDIC that was made in connection with the policies Mrs R listed in her letter to L&G dated 4 December 2015.

I leave it to L&G to decide if it now wishes to pursue the repayment of half of the amount Mrs R and Mr M received from the DDIC in respect of Mrs R's policies, and the full amount in respect of the policies Mr M held.

### **My final decision**

My decision is that, for the reasons I have set out above, I uphold this complaint in part.

To resolve this matter, I have set out above what Legal and General Assurance Society Limited must do to put matters right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs R to accept or reject my decision before 2 November 2023.

Suzannah Stuart  
**Ombudsman**