

The complaint

Mrs H is unhappy with how Legal and General Assurance Society Limited (L&G) handled her claim.

What happened

Mrs H has group income protection policy with her employer that is underwritten by L&G.

In July 2022, Mrs H became unwell following a bereavement and was absent from work. So she made a claim on her income protection policy.

During the claim investigation, L&G contacted Mrs H at a pre-arranged time to discuss the circumstances of the claim. During the call, L&G's representative incorrectly identified that the absence was due to Mrs H's daughter passing away rather than her granddaughter. Mrs H corrected L&G's representative and the call continued.

L&G further considered the claim and in September 2022 explained that it wouldn't accept cover for the claim as it wasn't satisfied the definition of incapacity had been met. Mrs H appealed and provided additional evidence to support her claim. L&G went on to accept Mrs H's claim.

Mrs H has explained that she found the call to be insensitive, and upsetting. So she complained.

L&G apologised for the upset they had caused and explained their representative had made a mistake and responded with a nervous laugh when Mrs H had pointed out her mistake. They were satisfied that the remainder of the call was conducted in a professional and sensitive way.

Mrs H referred the matter to our service. Our investigator said L&G had been fair to decline cover initially based on the available evidence they had at the time. But he didn't think L&G's apology for their error during the call was enough. So he recommended L&G pay Mrs H £100 compensation for the distress they caused her.

Mrs H didn't accept. In summary she said:

- L&G were unsympathetic to her loss and mental health during the call and after
- If she was stronger at the time she thinks she would've dealt with it differently
- The impact of someone laughing when she'd just explained the worst thing to happen was awful
- L&G should have read her notes and been prepared for the call
- £100 doesn't even cover one of her counselling sessions

The case was then passed to me to decide. I reviewed everything and on 30 January I shared my provisional thoughts. I said:

I can see Mrs H feels the insurer could have done more to prepare for its call with her. Had it done this, it would likely have avoided causing Mrs H additional distress when making its error over the phone. At the time I think Mrs H was shocked by the mistake, but I'm persuaded it caused Mrs H additional distress following the call when she reflected on it.

And I can understand that in the circumstances Mrs H expected more from a professional agent of her insurer.

So I planned to increase the level of compensation to £300 in total

L&G agreed but Mrs H didn't respond.

So, now I need to make my final 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.

The relevant rules and industry guidelines say L&G has a responsibility to handle claims promptly and fairly and shouldn't reject a claim unreasonably.

L&G's claim decision

Mrs H was unhappy that her claim wasn't initially accepted by L&G. But based on the available medical evidence at the time, I think it was fair for L&G to decline cover at this stage.

After Mrs H provided further information, the claim was accepted by L&G and benefit paid so I won't comment any further on this as this is accepted by both parties.

The call on 21 September 2022

The crux of Mrs H's complaint is the call that took place on 21 September 2022. So I've listened carefully to the content.

Mrs H didn't think £100 compensation was enough to reflect the impact of L&G'S mistake during the call. She has made reference to the cost of her counselling sessions. But I don't think L&G's error on the call means they should cover the cost of her counselling. I've separated the impact of Mrs H's bereavement and focused solely on the impact L&G caused on their call.

It's important to note that the call with Mrs H was pre-arranged, so I would've expected L&G to have set reasonable time aside to read Mrs H's notes in preparation for the call.

At the start of the call unfortunately L&G's agent incorrectly set out their understanding of the circumstances surrounding the claim. And when Mrs H pointed out L&G's error, the representative laughed in response. I appreciate this reaction was due to nerves and embarrassment at having made a mistake and it had no ill intent associated with it. However, this reaction was understandably very upsetting and distressing for Mrs H.

L&G have explained their representative misread Mrs H's form, which is what lead to the error. Whilst I understand these things can happen, L&G are aware of the difficult and sensitive nature associated with making an income protection claim. So on a pre-arranged call I would have expected their agent to have prepared accordingly and left reasonable time

to have carefully read Mrs H's notes. Bereavement is a sensitive and personal topic. So a professional representative of the insurer should have been aware of the sensitive nature of this claim, and prepared accordingly before contacting their customer.

The remainder of the call was conducted in a professional and empathetic manner, but I can appreciate Mrs H would've been distracted and still shocked at how at the call had started, despite not showing it. From her testimony I'm persuaded the call caused her additional distress when she reflected on it.

I can understand that in the circumstances Mrs H expected more from a professional agent of her insurer.

L&G apologised for the error. But that doesn't fairly reflect the impact of their error on Mrs H. So I think they need to pay £300 compensation to address the distress they caused at an already difficult time. Mrs H didn't provide any response to my provisional findings, so I haven't seen any reason to depart from the compensation amount I've already suggested.

Putting things right

Legal and General Assurance Society Limited need to put things right by:

- Paying Mrs H £300 for the distress caused by their poor planning and communication at an already difficult time in Mrs H's life.

My final decision

For the reasons set out above I uphold this complaint and direct Legal and General Assurance Society Limited to put things right in the way I've outline above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 25 April 2024.

Georgina Gill
Ombudsman