

The complaint

Mr A and Mrs N have complained that Liverpool Victoria Financial Services Limited ('LV') delayed matters and failed to act on Mr A's instructions to put a critical illness insurance policy in place.

What happened

Mr A and Mrs N had insurance cover with LV and asked about adding critical illness benefit. LV asked for some medical information and offered a policy to Mr A and Mrs N in April 2022. This included a premium loading for two of Mr A's conditions.

Mr A hadn't got back to LV so it got in touch with Mr A in June 2022 to ask if the policy was still required. In July 2022, Mr A said he was unhappy with the loadings and his query was referred to the medical team. After a review, LV agreed to remove the premium loading for one of the conditions. Mr A spoke to LV on 13 July 2022 by phone and confirmed he was happy that the loading had been removed. He asked what the premium would be and LV confirmed this would need to be calculated and it was sent to him on 14 July 2022.

Unfortunately, Mr A became unwell on 15 July 2022 and later on, asked to make a claim on the policy. But LV said Mr A had not accepted the terms and so the policy had not been put in place - so a claim could not be made.

Mr A said he had accepted the terms on 13 July 2022 over the telephone and so LV should pay the claim. LV didn't agree that Mr A had accepted the terms so Mr A referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think LV had done anything wrong.

Mr A disagreed and asked for an Ombudsman's review.

And so the case has been passed to me for a 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

- I've taken into account the relevant rules and industry guidelines and have fully considered all of the information and submissions made by Mr A even if I don't explicitly refer to everything he has said. Instead, I will summarise what I consider to be key to my conclusions. The background to this matter is well known to both parties and has already been detailed by the investigator, so I won't repeat it in my decision.
- Mr A is unhappy that the policy he had enquired about wasn't put in place when he

spoke to LV on 13 July 2022. This meant he was unable to make a claim when he became unwell 2 days later, on 15 July 2022.

- Mr A says that he clearly accepted the policy on 13 July 2022 and LV should have started the policy from that date. LV says it does not have evidence of acceptance on that date and it had told Mr A that it would send him the new premium details once they had been calculated.
- The call recording from 13 July 2022 is no longer available. I have seen a note of the call record and I have read detailed submissions of Mr A's recollection of the phone call. As the call is no longer available, I have reviewed the surrounding evidence. This includes a copy of the new quote dated 14 July 2022 from LV which sets out the details of the policy and asks Mr A to choose a start date. There is no evidence that Mr A responded to this quote or asked LV to start the policy, in writing.
- LV's notes of the telephone call of 13 July 2022 confirm that Mr A had asked about the premium and was told it would be calculated and sent to him. He was happy that the premium loading for one of the conditions had been removed and had also asked whether the timeframe for accepting the policy could be extended. The note does not record that Mr A asked LV to start the policy immediately.
- I have carefully considered the above and having done so, I am not satisfied that Mr A asked LV to start the policy during the phone call on 13 July 2022. Firstly, I don't think Mr A would have accepted the policy without knowing what the new premium would be. And secondly, he had enquired about an extension to the acceptance date which indicates he needed some time to think about and consider his options. So overall, I give more weight to the contemporaneous note of the call made by LV rather than Mr A's recollection of events.
- Mr A has also made the point that had LV not included a premium loading for the two conditions when it first offered him a policy and quote in April 2022, he would have had a policy in place and would have been able to make a claim. I have reviewed the information requests leading up to the offer and the underwriting information. I have checked this carefully but I cannot share this with Mr A as it is commercially sensitive. But I am satisfied that LV applied the criteria fairly and the loading and premium were calculated correctly, based on the information and medical evidence LV had at the time.
- I also note that Mr A did not contact LV about the policy until July, after a prompt from LV in June 2022. So I don't think LV caused any avoidable or unreasonable delays.
- I am of course very sorry to hear of Mr A's ill health. It is unfortunate that the timing of the application and quote was so close to Mr A's ill health. But I don't think LV has done anything wrong so I can't fairly uphold this complaint.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs N to accept or reject my decision before 10 December 2024.

Shamaila Hussain
Ombudsman

