DRN-5217240

The complaint

The estate of Mrs M has complained about Legal and General Assurance Society Limited's handling a decline of a claim made in respect of Mrs M.

What happened

The background to this matter is well known to the parties so I won't detail it here. In summary Mrs M had applied for a life assurance policy on 25 April 2022. Very sadly she passed away on 9 May 2022 when the policy was being underwritten so wasn't yet in force. However, L&G reviewed a claim under the accidental death benefit under the policy. Having reviewed the death certificate and the medical records it didn't conclude that she met the policy definition.

The estate complained and two final responses were issued. The first dated 12 September 2022 and the second dated 30 April 2024. The September 2022 final response concerned the estate's complaint regarding the claim decline, about a text message sent saying that the claim would be paid and a concern about the timeline given regarding the 'Free Life Cover' period. The April 2024 final response dealt with delays in assessing the claim and the claim decline.

With regards to the September 2022 final response, L&G didn't consent to this Service considering that – it said the complaint was referred out of time.

In the April 2024 final response L&G acknowledged that it was responsible for some delays and offered the estate £700 in compensation. It maintained the claim decline.

Unhappy the estate referred the complaint here. Our investigator said that we couldn't consider anything included in the September 2022 response as that complaint was made out of time. As far at the complaint about the April 2024 complaint was concerned, they didn't conclude that L&G had done anything wrong by declining the claim and said that the compensation offered was fair.

The estate appealed. The estate is represented by Mr C, and I grateful for his input. But for ease of reading I have just referred to representations as being made by the estate.

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.

Firstly I should qualify this by saying this service doesn't have a free hand to consider every complaint that's brought to us. The rules under which the Financial Ombudsman Service operate are set out by the regulator, the Financial Conduct Authority. Financial Conduct Authority's Dispute Resolution Handbook ("DISP"). DISP 2.8.2R says that unless the respondent consents, I cannot consider a complaint that is referred to this service:

more than six months after the date on which the respondent sent the complainant its final

response, redress determination or summary resolution communication

As the first final response was issued in September 2022 and the complaint referred to this Service in May 2024, this is more than six months, therefore falls outside the timeframe allowed.

However there are exceptions to the rule. One is where the financial business consents to this Service considering the complaint. L&G hasn't consented so that doesn't apply. Next, I can consider a complaint where the failure to respond in time was as a result of exceptional circumstances. An example of what might be considered to be exceptional circumstances given in the rules is where the complainant is incapacitated. This is a high bar.

The estate points out that in the September 2022 final response L&G says that the claims team has been instructed to re-examine the investigation of the claim. He questions how they can review the decision if it was deemed to be final. But if the estate was unhappy with that, it did have six months to refer the matter here. It also feels that L&G have disregarded regulatory principles and there are errors with L&G's processes. But these are merits considerations. No other circumstances have been advanced for the late presentation. Having considered the representations made I don't find the failure to refer issues dealt with in the September 2022 complaint was as a result of exceptional circumstances. So it is not one I can look at.

The complaint regarding the April 2024 final response was brought in time so I've considered all available evidence and arguments to decide what's fair and reasonable in the circumstances.

Although I've summarised the background to this complaint no discourtesy is intended by this. Instead, I've focused on what I find are the key issues. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I recognise that the estate of Mrs M will be very disappointed my decision, but I agree with the conclusion reached by our investigator. I'll explain why.

The final response dealt with the claim decline and also delay. I will deal with the issues in turn.

The policy was being underwritten at the time Mrs M passed away, so wasn't yet in full force. But L&G considered the claim under the accidental death benefit cover which said:

We'll cover you from when we receive your application, for up to 90 days or until we accept, postpone or decline your application. This means that if you die due to an accident during this time, we'll pay out the amount you've asked to be insured for, up to a maximum of £300,000 for all applications. The benefit will be paid out if the person, or one of the persons covered sustains bodily injury which is the sole cause of death and if the death occurs within 90 days of such an accident.

The medical evidence didn't show that accident was the sole cause of Mrs M's death. The death certificate showed that as well as the cause of death being noted as Subdural Haemorrhage and Disseminated Intravascular Coagulation, Malignancy of Unknown Origin was also noted. Additionally, the medical evidence shows that Mrs M had been unwell prior to applying for the policy and had seen her doctor on several occasions for the symptoms that she was experiencing. So in light the of all the evidence I don't find that it was unfair for L&G to conclude that the policy criteria weren't met for accidental death benefit to be paid.

The estate also complained about delays. L&G acknowledged that there had been delays on its part and by way of apology offered £700 in compensation. I can see that there were

several delays and accept that this would have prolonged the wait for the estate which was anxiously waiting for an answer. I'm pleased to note that an apology has been given by L&G and I find that the compensation offered is fair. But I should point out that as this complaint is being brought on behalf of Mrs M's estate, I can't compensate for any impact incurred when representing the estate.

The regulator's rules provide that insurers must not unreasonably reject a claim. For the reason given I don't find that L&G did so here. I'm sorry this decision doesn't bring the estate welcome news.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs M to accept or reject my decision before 7 April 2025.

Lindsey Woloski
Ombudsman