

## **The complaint**

Mrs M complains that Scottish Widows Limited has behaved unreasonably in processing a claim she made under a joint life assurance policy she held with her late husband.

## **What happened**

The joint policy began in 2017 for a seven-year term. Mrs M made a claim to Scottish Widows in January 2024, after Mr M sadly passed away that month.

In May 2024, Mrs M complained. She said the claim was taking too long to be settled.

In June 2024, Scottish Widows upheld the complaint. It noted that because of the complexities surrounding Mr M's death – which required referral to the coroner and a subsequent inquest – as well as the high value of the claim payment, it had to undertake appropriate due diligence to settle the claim. Scottish Widows said that the earliest it could have paid the claim was 8 May 2024.

However, Scottish Widows agreed it could have progressed things more quickly on occasion with the relevant third parties. So, it paid Mrs M £750 by bank transfer to recognise the upset she had suffered when having to make several calls to chase the progress of her settlement. It explained that its claim team would also backdate interest to the date Mr M passed away.

The claim was paid the following week, with interest of 8% from 8 May 2024 and 5.25% interest from the date Mr M passed away, to the date the claim was settled.

Thereafter, Mrs M appointed a representative – who I shall call Mr R. He said the complaint wasn't resolved, and Scottish Widows needed to do more to compensate Mrs M.

Mr R also said that the compensation failed to consider an additional concern regarding providing him with authority to represent Mrs R with the complaint. He asked Scottish Widows to address this, to review the interest it had paid on the delayed claim and to increase its compensation offer to Mrs M.

Scottish Widows wrote to Mr R on 10 July 2024, noting:

- It was confident that the £750 payment for the distress Mrs M had suffered was fair.
- It did not agree that the interest on the claim was incorrect. Though Mr R had asserted the 8% interest must be calculated to the date of Mr M's death, this was not correct. The interest paid from 8 May 2024 was 8%, and the earlier interest 5.25%, because Mrs M was only deprived of the funds from delays after the claim evidence (the coroner's report following the inquest) was received, not when Mr M passed away.
- The claim process could have been moved on more quickly on occasion, and it had apologised to Mrs M for this and paid her the £750 compensation.
- It did not believe it had acted unfairly in calling Mrs M in early July 2024 regarding the letter of authority – as it did not meet Scottish Widows' agreed format. It did not agree with Mr R that its approach was unwarranted or unnecessary.

Mr R brought Mrs M's complaint to this service, where it was considered by one of our investigators. Mr R said Mrs M sought £4,000 in further interest, another £1,250 for the upset she'd suffered and £450 for the issue with the letter of authority.

Our investigator did not believe the complaint should succeed. She was satisfied that the steps Scottish Widows had taken to put the complaint right were sufficient. She noted that interest on the claim settlement had been properly paid. And she thought that £750 compensation was an appropriate sum for the combined delays it had caused. She did not agree with Mr R that further compensation was appropriate as she didn't think it had unfairly handled its authority process.

Mr R said Mrs M disagreed. He said Mrs M – with the help of her son - had made several further comments, noting in summary:

- The distress caused by Scottish Widows was enormous.
- The delay in settling the claim meant they had to approach friends and family for financial aid.
- As a family, they had to spend an inordinate amount of time dealing with Scottish Widows instead of grieving.
- The main issue is Scottish Widows' complete lack of customer care.
- Though interest was paid from 8 May 2024, the coroner's report was sent on 4 April 2024 – this delay was because Scottish Widows kept going back for more information.
- The time it took over every request was excessive, and the late Mr M's GP noted this too.
- The £750 payment is unacceptable and feels like an insult.
- Contacting Mrs M about the letter of authority was unnecessary and caused further additional stress for Mrs M, when Scottish Widows could have gone to Mr R directly.

Our investigator was not prepared to change her view on the complaint. She noted that it was a postmortem report which was sent on 4 April 2024. The coroner's report – needed to satisfy the claim – was received by Scottish Widows on 7 May 2024, and so it correctly calculated the interest due on the claim payment from that date.

Whilst she otherwise recognised the upset caused to Mrs M, she explained that she wouldn't expect an insurer to offer compensation for any upset caused by its usual claims process. And she didn't think Scottish Widows had been unfair or unprofessional in requiring authority from Mrs M, as it needed to seek her consent to communicate with Mr R going forwards.

Mr R still disagreed. He said Scottish Widows was seeking duplicate information, as the coroner's report had been sent in April, not May. And the £750 awarded to Mrs M didn't include consideration for the issue with the letter of authority – and so a further £101 to £300 ought to be appropriate for this additional error.

Our investigator said she still wouldn't change her view, and she didn't think further compensation was warranted for either delays or the authority process undertaken by Scottish Widows.

Mr R said Mrs M wanted the complaint to be reviewed by an ombudsman. He remained of the view that Scottish Widows should not have contacted Mrs M, as it had received a clear letter of authority providing her explicit consent to discuss the complaint with Mr R.

Scottish Widows confirmed it had nothing else to add. The complaint has now been passed

to me.

### **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.

Before I go any further, I send my best wishes to Mrs M, her son and her family.

I'm aware I've set out the background to this complaint in less detail than the parties and I've done so using my own words. However, in reaching my conclusion I've focused on what I consider 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 and no discourtesy is intended by it. If there's something I haven't mentioned, it isn't because I've ignored it. It's since I don't need to comment on each individual argument to be able to reach what I consider is the right outcome in the circumstances.

Having reviewed this complaint carefully, I agree with the outcome reached by our investigator. In summary, my findings are:

- It's important for me to point out that we do not act in the capacity of a regulator. That remit falls to the Financial Conduct Authority ('FCA'), where it may look at wider issues governing how businesses conduct their operations or exercise what may be commercial judgement on the provision of a particular service.
- My role isn't to substitute my view for that of a business but instead, to determine if a business has acted fairly in all the circumstances of a complaint.
- I am satisfied that Scottish Widows has correctly settled the claim, in terms of the interest payments added to the final settlement value issued to Mrs M in June 2024.
- It rightly paid interest from the date Mr M passed away up to the acceptance date of 8 May 2024.
- That acceptance date is correct, it is the date at which Scottish Widows received the coroner's report, following the inquest the previous month. I do not find Scottish Widows to be unfair or unreasonable in requiring that evidence, since the policy terms set out that Scottish Widows can seek "*other information that we may reasonably require to enable us to assess the claim*".
- Given the particularly sensitive circumstances surrounding Mr M's death, I believe it was fair for Scottish Widows to await receipt of this report and use it as the date at which the claim should be accepted.
- Scottish Widows has correctly paid Mrs M 8% interest from that date to the settlement date in June 2024 – something this service would recommend – along with interest at the prevailing Bank of England base rate for the period from Mr M's death to the acceptance date. This is fair and reasonable, as the insured event under the policy was either Mr or Mrs M passing away during the policy term. Though Mr R has suggested otherwise, I do not agree that any other interest is due to Mrs R in respect of the claim payment.
- I have carefully reviewed the timeline of events, and it is clear that on a handful of occasions, Scottish Widows did not progress the complaint within a reasonable

timeframe – such as when it first wrote out to Mrs M for medical evidence, and the delay in paying the claim after receipt of the final report.

- What this service does is consider if a business has treated its customer(s) unfairly because of actions or inactions. And if it has done so, we then go on to consider what ought to be done to put the mistake(s) right. In this case, that was for Scottish Widows to pay the claim in line with the policy terms, with interest backdated as appropriate – which it has done.
- As well as putting right any financial losses in a complaint, this service will also consider the emotional or practical impact of any errors on a complainant. In doing so, we do not fine or punish businesses; that regulatory role falls to the FCA – something I've explained earlier in this decision.
- Though the claim process under such circumstances is understandably upsetting, Mrs M was put to further additional upset and inconvenience by having to chase Scottish Widows several times during a period where she was grieving.
- It may be helpful for Mrs M and Mr R to review the guidance available on our website around the amounts and types of awards made in instances of upset, trouble, inconvenience and distress caused by businesses in the complaints we see at this service.
- Overall, I am satisfied that a £750 award is appropriate in the circumstances of impact on a complainant causing considerable worry or distress, over a medium-term such as several months; Scottish Widows rightly identified that at the earliest opportunity in the complaint outcome.
- I do not consider additional compensation is warranted for the matter relating to the authority for Scottish Widows to communicate with Mr R going forwards.
- Though Mrs M wrote to Scottish Widows giving consent, it was not provided in the format Scottish Widows would require for a letter of authority – and so it called her to confirm consent. I cannot agree with Mr R that this call was unnecessary; the authorisation process is for Scottish Widows to determine.
- Having considered its actions using that process, I can't agree that placing a call to confirm Mrs M was happy with her authority passing to Mr R was excessive or unreasonable in these circumstances.

### **My final decision**

I do not uphold this complaint or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 22 July 2025.

Jo Storey  
**Ombudsman**