

The complaint

Mrs C complains Legal and General Assurance Society Limited cancelled a joint life term assurance policy she held with her late husband after receiving notification that the direct debit had been cancelled by her. Mrs C also says Legal and General Assurance Society Limited didn't take into account her late husband's state of mind when he cancelled the direct debit.

What happened

When Mr C passed in 2020, Mrs C made a claim on the joint life term assurance policy. Unfortunately, the policy lapsed in 2018 after the direct debit for the premiums had been cancelled. Mrs C complained to Legal and General that they shouldn't have cancelled the policy. Legal and General didn't uphold this complaint. After receiving a final response Mrs C brought the complaint to the Financial Ombudsman Service. One of our Investigators didn't think Legal and General had done anything wrong. This complaint was closed in 2021.

In 2024, Mrs C made a new complaint to Legal and General that they hadn't taken into account her late husband's state of mind when he cancelled the direct debit. And that Legal and General acted unfairly when they accepted a cancellation of the direct debit from her late husband's bank when the notification referred to the direct debit as being cancelled by Mrs C.

Legal and General accepts that it unintentionally delayed speaking with Mrs C on the telephone and offered £150 in recognition of the trouble and upset this caused her. Legal and General said that it had reconsidered Mrs C's late husband's medical reports but didn't think he lacked mental capacity at the time he cancelled the direct debit. Legal and General said that they were satisfied that as Mrs C's late husband was the sole account holder of the account from which the direct debit was paid, they hadn't done anything wrong in processing the cancellation.

Mrs C brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator didn't think Legal and General had treated Mrs C unfairly when accepting the direct debit cancellation. After reviewing the medical notes provided Legal and General decided there wasn't enough evidence to persuade them Mrs C's late husband wasn't of sound mind when he cancelled the direct debit. The Investigator thought that Legal and General's payment of £150 to resolve the complaint was a fair and reasonable one.

Mrs C asked that an Ombudsman decides the complaint and it has been passed to me to consider.

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.

I empathise that Mrs C hasn't been able to rely on receiving a lump sum from a term

assurance policy she believed was still in place when her late husband passed. I can't imagine the stress this will have caused her since her late husband's passing. However, I can't consider whether Legal and General acted fairly when they cancelled the policy as the Financial Ombudsman Service considered this in 2021. Mrs C was offered the opportunity to ask for an Ombudsman to make a decision before the complaint was closed.

However, I can consider Mrs C's new complaint that Legal and General didn't take into account the medical evidence about her late husband's state of mind at the time he cancelled the direct debit. And I can also consider whether it was fair and reasonable for Legal and General to accept the notification from the late Mr C's bank that he'd cancelled the direct debit and not Mrs C.

The policy was taken out in April 2016 and the direct debit was cancelled in July 2018. In respect of the late Mr C's medical records, I've seen that there is only one entry in August 2017 that may be relevant. There are other entries, but these are either before the policy was taken out, or after the late Mr C cancelled the direct debit. I don't plan on detailing what was in the medical notes, but I'm persuaded Legal and General's decision that there was nothing to indicate the late Mr C lacked mental capacity to make a decision to cancel the direct debit at this time isn't an unreasonable one.

In respect of the direct debit, Legal and General hasn't disputed that the notification they received from the late Mr C's bank said it had been cancelled by "the payer." Mrs C says that the name provided to Legal and General by the late Mr C's bank was her name, but the account was not a joint account. Regardless of this, the bank has confirmed to both Mrs C and Legal and General that the direct debit could only be cancelled by the account holder, which in this case was the late Mr C. They added that their records show the account holder attended a branch in July to cancel this direct debit along with several others. I have no doubt that this matter has upset Mrs C as she didn't cancel the direct debit, but I don't think Legal and General treated Mrs C unfairly in accepting the cancellation in good faith. The account number and sort code were identical to the account they had in their records, and they would have had no reason to question the cancellation.

Legal and General were aware that Mrs C had raised new complaint issues with them in August 2024. In their final response to the complaint, they apologised they weren't able to speak with Mrs C when they said they would and offered Mrs C £150 to reflect the unintentional trouble and upset this caused her. Mrs C has confirmed she has received this cheque. Although I recognise Mrs C is unhappy that the payment of £150 is less than she paid into the joint life term assurance policy, I'm satisfied this is a fair and reasonable amount to resolve the complaint.

If Mrs C wishes to bank the cheque Legal and General has sent her, then I would remind her that generally a bank may not honour a cheque if it is presented more than six-months after it was dated.

My final decision

For the above reasons, I've decided Legal and General Assurance Society Limited doesn't need to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 15 May 2025.

Paul Lawton
Ombudsman