

The complaint

This complaint is about a term assurance policy held jointly by Mr K, and his late wife, Mrs K. Their son – who I shall call Mr E – is representing Mr K in pursuing the complaint. Mr E says Legal and General Assurance Society Limited ('L&G') has unreasonably delayed settling a claim Mr K made for death benefit under the policy.

What happened

Mr and Mrs K took out their policy in February 2011. It offered decreasing term life assurance over a 20-year term, with an initial sum assured of £200,000.

In April 2023, Mrs K sadly passed away overseas. She had previously been diagnosed with a type of terminal cancer. Mrs K travelled abroad with her family to undergo further therapy, as all available treatment options had been exhausted at her treating hospital in the UK.

In June 2023, Mr E made claim on behalf of Mr K for death benefit.

In April 2024, Mr E complained on behalf of Mr K about the time taken to settle the claim.

In May 2024, L&G rejected the complaint. It said that despite writing to the hospital where Mrs K had passed away, it hadn't received any reply. L&G said that without receiving additional verification from the hospital, it couldn't pay Mr K's claim. Nonetheless, L&G said that from a customer service experience perspective the delay was longer than it should be. And so it paid Mr K £200 to account for the frustration of the claim remaining unsettled.

Mr E brought the complaint to the Financial Ombudsman Service. He explained that he had been paying for the mortgage that the policy was taken out to protect, along with the costs of repatriation for his late mother after already having paid her medical and funeral costs. Mr E said that L&G was unfairly dragging out the claim process when he had provided sufficient evidence including Mrs K's death certificate and place of burial.

One of our investigators reviewed the complaint and was satisfied that L&G had been presented with sufficient evidence by Mr E on behalf of Mr K to satisfy the claim. Therefore, he believed the claim should be settled, with interest. He also said that L&G ought to pay Mr K £200 additional compensation for the upset caused by the delay in settling the claim.

Mr E said he and Mr K accepted the investigator's view. However, L&G didn't agree with the investigator. It said the information it had seen was not verified in relation to Mrs K's official cause of death. It was prepared to pay the claim once this was received.

Since agreement could not be reached, the complaint was referred for an ombudsman's decision.

Shortly after the complaint was passed to me, L&G said it had called Mr E to confirm it will now pay the claim. Due to the amount of time that has passed since the claim was lodged, Mr E had said he would need to reconfirm the relevant bank details for Mr K.

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 was sorry to learn that Mrs K passed away, and I send my condolences to Mr K and Mr E.

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. 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 every individual argument to be able to reach what I believe is the right outcome.

Having reviewed this complaint carefully, I agree with the outcome reached by our investigator and the redress he proposed to put matters right. In summary, my findings are:

- The relevant regulator's rules say that insurers must handle claims promptly and fairly. And I've therefore reviewed this complaint in that context, looking at the evidence for Mr K's claim and the policy terms.
- The policy terms provide cover, noting "*the sum assured is payable on the death of the life assured or for a joint life policy, when the first of the lives assured dies*".
- The policy goes on to explain the evidence required in order to satisfy a claim, as follows, '*we will require the death certificate or proof of diagnosis of a terminal illness of the life assured, along with the policy schedule and any other documents we may reasonably request*'.
- I accept that given Mrs K's repatriation was to a non-UK country, this may entail additional considerations that add time to the processing of a claim, such as translation of documents and verification requirements.
- Nonetheless, Mr and Mrs K's policy did not exclude scenarios where the policyholder may pass away overseas, and L&G is still required to process the claim promptly and fairly, which I would expect to be without additional undue obstruction.
- Though L&G has now confirmed it will pay the claim without further delay, I believe it could have done so sooner, since Mr E supplied evidence of Mrs K's hospital records, her death certificate and documentation relating to repatriation.
- And whilst L&G has argued that it needed official documentation, there was no objective evidence to suggest that Mr K hadn't supplied appropriate documentation to evidence that Mrs K had passed away.
- Whilst the policy wording allows for L&G to reasonably request documentation it deems necessary to satisfy the claim, it also specifically requires a death certificate as the relevant form of evidence of death – something Mr E supplied, along with the additional relevant evidence of the late Mrs K's repatriation and burial arrangements.
- Mr E has also supplied evidence in the alternative to confirm Mrs K was terminally ill – though no claim for terminal illness benefit was pursued.

- I consider L&G unreasonably delayed matters in settling the claim, and that delay caused unnecessary distress and upset to Mr K, at what was already a difficult time.
- I note L&G has since confirmed that it called Mr E on 17 June 2025 to accept the claim.
- However, in my view, L&G's internal assessment notes of 5 December 2023 show objective evidence had been provided to verify Mrs K's cause of death, after it had been translated. I agree with our investigator that interest should run from that date, as I believe the claim could and should have been paid to Mr K at that time.
- Interest is also therefore applicable to the claim, as my view is that the claim could have been paid at an earlier date, and Mr K has been deprived the use of the term assurance proceeds.
- As well as putting right any financial losses in a complaint, we also consider the emotional or practical impact of any errors on a complainant. Though L&G paid Mr K £200 compensation up to the date of the final response letter in May 2024, I do not believe this is sufficient to account for the entirety of the delay, which persisted for a further year. I also note that in L&G's administrative records, there was a period of several months without a record of follow up on L&G's part from mid-2024 onwards.
- I therefore believe additional compensation for the impact of the duration of the delayed claim payment upon Mr K is appropriate and I'll award that below.
- I'm aware that in the complaint form, Mr E has set out how he required L&G to compensate the additional mortgage payments he made during the period of the delay caused by L&G in failing to settle the claim. However, I will not be asking L&G to do that.
- The correct redress – backdating the claim interest to the date at which L&G ought to have accepted it, from the insured event of the date Mrs K passed away – accounts for the value of the term assurance at the time of a valid claim, which reduces monthly, broadly in line with the capital repayment mortgage it was set up to cover. The payment made by L&G should exceed the current decreasing mortgage value, accounting for any repayments made in the interim before the claim was settled.
- Furthermore, I must also be mindful that though Mr E is representing his family for the purposes of bringing this complaint, the eligible complainant in these circumstances is Mr K, as he is the joint policyholder to whom the claim payment would be made. So I could not consider any losses sustained by Mr E in the context of this complaint in any event, as he is not a complainant in his own right.

Putting things right

L&G must pay Mr K's claim as if it had been accepted on 5 December 2023. To the claim payment, L&G must add 8% simple interest per year, from the date the claim should have been accepted to the date of settlement and provide a calculation of that interest to Mr K in a clear, simple format.

In addition, L&G must pay Mr K a further £200 to reflect the impact of the prolonged claim settlement. The additional delay has caused further, avoidable upset; I believe an award of this amount is appropriate in the circumstances of many months of unnecessary delay.

My final decision

For the reasons explained, I uphold this complaint. I direct Legal and General Assurance Society Limited to pay the claim, with interest and the compensation payment as directed above. I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 July 2025.

Jo Storey
Ombudsman