

## **The complaint**

Mr K complains about the rejection of a claim under a joint life assurance policy by Legal and General Assurance Society Limited (Legal and General).

He says he and his wife took out a joint plan in 1999 with a term which ran until 2022.

Mr K's wife passed away in 2004. He recently came across the policy documents, so he made a claim to Legal and General.

Mr K complains that Legal and General won't pay him the sum assured on the policy.

## **What happened**

In 1999 a policy schedule was issued by Legal and General for a joint life assurance policy with a sum assured of £160,000 and a term of 23 years. The life assureds on that policy were Mr K and his late wife, Mrs K.

Legal and General issued a letter on 2 February 1999 indicating their application was being processed.

Mr and Mrs K were also sent a notice which indicated that their application had been accepted and they had 14 days from the date they received that document to change their mind. That notice referred to a personalised section of the key features of the policy which was printed on 4 February 1999 and contained the policy number.

A letter was issued by Legal and General on 15 February 1999 enclosing their policy documents.

In 2004 Mrs K sadly passed away.

Subsequently Mr K moved to a different address.

In 2024 Mr K came across the policy details in some paperwork. He contacted Legal and General, provided a death certificate and made a claim on the policy.

Legal and General didn't pay out the claim. It said that it was unable to find any records of the policy on file.

Legal and General said it had reviewed its files, and it could find no record of the policy and no records of any premiums being paid. It said it was unable to process the claim as it had no records of a valid policy.

Legal and General said it had also investigated its records using an alternative address provided by Mr K in October 2024, but no records of the policy were found.

Legal and General said it required bank statements from 2003-2004 to confirm premiums had been paid for this policy. It said if these could be provided and the policy located, then it could review any valid claim.

Mr K didn't agree with Legal and General and referred his complaint to our service.

Our investigator considered Mr K's complaint but didn't think it should be upheld. She was satisfied Legal and General had demonstrated that it had undertaken extensive searches, but it had been unable to locate any paperwork or associated payments for the policy.

The investigator didn't think it was unreasonable that Legal and General hadn't retained that financial information given the time that had passed.

The investigator noted that policy documents for this type of policy could be issued and the policy could then be cancelled at any point. She noted it wasn't uncommon for cover to be cancelled during the cooling-off period before a payment was taken and that there was no obligation for cover of this nature to remain in force.

The investigator said the onus was on the policyholder to show they had a valid claim and based on the information available she could not be satisfied on balance that the policy was in force when Mrs K passed away.

The investigator also said that if the policy had been in force in 2004, she considered it more likely than not, that Legal and General would have contacted Mr K when the payments ceased and explained that the policy would lapse if the payments weren't brought up to date, as that was standard procedure for a provider. She noted that Mr K had no recollection of receiving anything from Legal and General at that time, so she considered it more likely than not that the policy wasn't in force at that time.

Overall, the investigator didn't think Legal and General had acted unfairly as she didn't think there was supporting evidence to show the policy was in force at the time of Mrs K's death.

Mr K didn't agree with the investigator's conclusions and said he wished to clarify some of the issues covered in the view:

He said he was aware of the policy which was taken out in person through a family friend who attended their home.

Mr K said his wife paid the monthly premiums from her bank account and her bank account was closed when she passed away. He said as his wife had been paying the premiums for years on her own account, it was not at the forefront of his mind when she suddenly passed away.

Mr K said he had no doubt that his wife had paid the premiums up until her passing as she was meticulous with regards to items of this nature.

Mr K said he hadn't recalled the policy at the time of his wife's passing because her sudden death had impacted him severely.

Mr K said he had moved house less than a year after her death, with paperwork being packed up in boxes which he didn't go through until approximately 20 years later, when he was looking for pension information and came across the term assurance policy.

Mr K questioned why Legal and General hadn't provided any information he felt it must hold in respect of his joint policy and in relation to himself and his late wife and said he had made repeated requests for information to Legal and General.

Mr K provided further documentation he had located regarding the sale and confirmation of the policy. He said this showed that the policy was taken out and became live. Mr K said the correspondence showed the policy confirmation had been issued after the 14-day cooling off period had expired.

Mr K queried why Legal and General hadn't contacted the agent who had sold them the policy. He said they would have knowledge of the policy and their meeting and financial review. Mr K said there would be documents showing payment of commission to that agent.

Mr K also said that as a minimum Legal and General should pay a percentage of the claim.

The additional documentation was provided to Legal and General for it to consider.

Legal and General said it hadn't refused Mr K's request for information; it simply didn't have any documents to provide as the only paperwork it had in relation to the policy were the documents Mr K had provided.

Legal and General said the additional documentation provided by Mr K didn't change its position because the documentation only showed that a term assurance policy had been taken out in 1999. It noted Mr K's comments about locating the agent who sold the policy and said it didn't have contact details for that agent. However, it didn't think the agent would be able to add anything useful as they were involved in the sale and unlikely therefore to recall, or have any paperwork showing, when the policy lapsed.

Legal and General said it was still willing to consider a claim, but for a claim to be successful it had to receive proof that the policy was in force at the relevant time.

As no agreement could be reached Mr K's complaint was referred to me for review.

### **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.

To recap Mr K and his late wife met with an adviser at the end of 1998 and the beginning of 1999 and as a result of those meetings, they applied for a joint term assurance policy with Legal and General.

Legal and General, as a provider of assurance policies, sent a letter at the beginning of February 1999 confirming their application had been received.

That of course is not the end of the matter as applications for term assurance policies don't always result in a policy being issued. However, in this case, a notice issued by Legal and General indicated that their application had been accepted and there was also a letter dated 15 February 1999 enclosing their policy documents.

The notice document confirmed there was a cooling off period of 14 days from the date they received the notice, during which the policy holders could cancel the policy. The notice referred to a personalised key features document which was printed on 4 February 1999, so it appears the earliest it would have been received by Mr K and Mrs K would have been 5 February 1999. On that basis it appears more likely than not, that they received their policy documents with the letter dated 15 February 1999, shortly before the cooling off period expired which meant they still would have time to change their mind.

But in any event, even if I am wrong about that, the documents don't provide a conclusive answer to whether the premiums were maintained after 15 February 1999. What I can see from the documents is that Mr and Mrs K's application was accepted by Legal and General and a policy schedule was issued which would indicate the policy started.

What is unclear and key to this complaint, is what happened after that letter was sent.

Mr K says the policy was taken out and the premiums were paid by his wife from her bank account and so it would have been in place when she passed away in 2004. So, he says Legal and General should pay out the sum assured on the policy.

Legal and General says it has carried out searches but has no record of this policy existing. It says it is not unusual for policies to be cancelled after an application has been accepted or for policyholders to stop paying premiums. And it says there may be many reasons for doing so – for instance if the applicants change their mind or the premiums become unaffordable.

In any event, the way this type of assurance policy works is that if the premiums aren't maintained, then the policy will lapse and will no longer provide protection in the event of the death of one of the policyholders.

This is confirmed in the policy conditions for this term assurance policy. The policy schedule indicates that terms C2, C3 and C4 apply to the policy.

C2 states:

*“Premiums are due from the Policy Date set out in the Policy Schedule. Thereafter they are payable monthly by direct debit or annually by direct debit or cheque.”*

C3 states:

*“Premiums are payable up to, but not including, the Maturity Date or Expiry Date, as appropriate, during the lifetime of the Life Assured, (Lives Assured if Joint Life).”*

C4 states:

*“If premiums are not paid within 30 days of each due date, the policy will lapse without a value, and Legal and General's liability will cease.”*

And the policy schedule itself indicates that premiums had to be paid from the policy date until the expiry date during the lifetime of the first of the lives assureds to die:

*“Policy Date 1 February 1999                      Expiry Date 1 February 2022*

*Premium Payable at monthly intervals  
£33.29 on the policy date  
and up to and including 1 January 2022  
The premiums specified above will only remain payable during  
the lifetime of the first to die of the Lives Assured or  
until payment of Terminal Illness Benefit”*

So, I think it is clear that premiums had to be paid on a regular (monthly) basis to maintain the policy. Unlike some investments where a lump sum is simply paid in at the start, this type of policy required regular premiums being paid as an inherent part of the contract.

Was the policy maintained up until Mrs K's death?

The difficulty in this case is an evidential one - while there is evidence to indicate the policy was taken out, we don't have any clear evidence that it was maintained by the regular payment of premiums. Unfortunately, as the claim wasn't made at the time of Mrs K's death any records that might have assisted are no longer available.

Mr K says the premiums would have been paid from his wife's bank account up until his wife died. He says her bank account was then closed. Mr K is unable to provide any bank statements to support this because his wife passed away more than 20 years ago.

Legal and General say if premiums were paid and then stopped, it would have sent a letter to inform the policyholders that as a premium/s hadn't been paid, the policy would lapse and no longer provide cover. Mr K doesn't have a copy of a letter of this nature.

In any event, Legal and General has no evidence of this policy being in existence in its records, other than the documentation provided to it by Mr K when he made a claim and during the complaints process. I am satisfied on balance that Legal and General has carried out several searches using the details provided including policy number, names, addresses and dates of birth. So, I don't think it has acted unreasonably because it has made reasonable efforts to locate the policy with the information available and in doing so has tried to assist Mr K in making his claim.

I also agree with Legal and General, that even if the agent who sold the policy were to be located, and I note neither of the parties have contact details, their involvement was in respect of the sale in 1999. So, I don't think they would be able to provide any useful evidence in relation to when the policy lapsed noting their role and the time that has passed.

Mr K doesn't accept that Legal and General has carried out a sufficiently thorough search to locate the policy details, and he says it should have this information. However, even if I assume Mr K is correct and premiums were paid up until 2004 – although as I said there is very little evidence to support this - once the policy lapsed I would not expect Legal and General to keep documents relating to a lapsed term assurance policy for 20 years and there is no regulatory obligation for it to do so.

Financial businesses aren't obliged to keep customer's records indefinitely. In fact, because of the requirements of data protection legislation, they need a legitimate reason to keep records. So, once a policy of this type is no longer in force, I don't think it is unreasonable that a business, such as Legal and General, only holds the information for a limited time, in line with that business' document retention periods.

In any event, I do not consider it reasonable to expect Legal and General to keep documents or records relating to a lapsed assurance policy for 20 years. Legal and General has explained it only keeps these documents for as long as is necessary for the purpose they were processed as part of its management of records. While a policy is live and there is a business relationship between the provider Legal and General and the consumers, Mr K and Mrs K, there is a valid reason to retain the records. However, once a policy has lapsed and no longer provides protection, the need to keep that document reduces as time passes.

And I note it is common for financial businesses to only retain documents of this nature for six years after the policy is cancelled.

I think it is more likely than not, that if premiums had been paid up until that date and then stopped being paid, that Legal and General would have notified Mr K and his late wife as that would be standard practice with a policy of this nature. Mr K doesn't have or recall any such correspondence.

But in any event, in order to be satisfied that Legal and General have acted incorrectly or unfairly in refusing Mr K's claim for payment of the sum assured, I would have to be

satisfied, it is more likely than not, that the premiums on this policy had been maintained up until the date of his wife's death.

I note that Mr K didn't find the policy paperwork he has supplied to Legal and General and our service, until recently. I have taken into account the explanation he has given about the circumstances at the time of his wife's passing. I appreciate that time would have been extremely difficult for Mr K, and a great shock as he has described, which may well be why he overlooked or mislaid the paperwork relating to this policy.

I don't seek to criticise Mr K or place any blame for what must have been a very distressing time, but there is a lack of evidence to support his claim which is dependent on the premiums having been paid regularly up until the late Mrs K's death.

Mr K says the premiums were being paid from his wife's bank account up until her death. However, I don't think, it is more likely than not, that Mr K would have a good recollection of payments that he says were made more than 20 years ago. I also note from Mr K's explanation that he wasn't the one dealing with the payments – that was his late wife. And as I have said, he doesn't have any supporting evidence such as bank statements. As Mr K is making the claim, the onus is on him to show not only that the policy was taken out *but* importantly that there was a valid policy in force at the time of his wife's death.

The evidence here is incomplete despite the efforts of both parties. However, on the evidence that is available, I am unable to conclude that it is more likely than not that the policy was maintained up until the relevant date.

Overall, I don't think Legal and General has acted incorrectly or treated Mr K unfairly in its response to his claim as I can't conclude on the evidence, that it is more likely than not that a valid term assurance policy was in force at the time Mrs K died.

I note that Legal and General has indicated in its response to Mr K's claim that if he is able to provide bank statements showing premiums being paid at the relevant time, it would review the matter.

### **My final decision**

My final decision is that I don't uphold Mr K's complaint against Legal and General Assurance Society Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 12 February 2026.

Julia Chittenden  
**Ombudsman**