

## **The complaint**

Mrs W complains that Lloyds Bank PLC have been unable to locate a life protection policy which was attached to the mortgage that she has with her late husband. She believes that the policy was for £50,000 which would pay the mortgage balance off in full.

Mrs W has explained that she is under a lot of stress, and this is very upsetting for her. She is being represented on this complaint. For ease, I will refer to Mrs W throughout.

## **What happened**

Mrs W has explained that her late husband used to work for TSB, and they provided free mortgage protection cover alongside the mortgage as an incentive for staff at the time, to take out their mortgages with TSB.

In 1995, TSB merged with Lloyds to become Lloyds TSB then later became Lloyds Bank PLC.

Sadly, Mrs W's husband passed away in May 2024 and Mrs W enquired about the mortgage protection cover as she wanted this to pay out in order to fully repay the outstanding balance on the mortgage. She says she was reassured by her late husband that the mortgage would be paid off if anything happened to him and she said he even confirmed this the day before he passed away. The mortgage balance was around £30,000.

After Mrs W made the enquiry with Lloyds, they have searched their systems and have been unable to find a live protection policy to repay the mortgage. They said Mrs W and her late husband had taken out various other advances over the years and they cannot see that any of them had protection linked to them. They also said the mortgage that was originally taken out had ended in 2011 so it's possible that any protection attached to that mortgage would have ceased.

Mrs W has also said that she found the letters that Lloyds sent her threatening and she also believes they have lost the title deeds to the property.

Mrs W didn't agree with this and brought her complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. After reviewing everything, she felt that Lloyds had carried out extensive searches to find a live policy, but they were unable to do so. She thought it was likely that any policy in place would have ceased in 2011. The investigator also didn't think that Lloyds had done anything wrong with the letters that they had sent Mrs W. She also explained to Mrs W that her title deeds appear to be held at the Land Registry.

Mrs W was unhappy with this response and reiterated her points again, explaining that her late husband assured her there was protection in place. She explained in detail the challenges she has been facing and how distressing this has been for her.

As Mrs W disagreed with the investigator, she asked for the complaint to be reviewed by an Ombudsman, so it's been passed to me to decide.

## **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'd firstly like to pass on my condolences to Mrs W. I'm sorry that she is going through a very difficult and stressful time at the moment. I appreciate that things have been very tough for her to deal with since her husband's passing.

Mrs W has raised a few complaints, and some will be addressed under different complaints to this one. So I'd just like to clarify that on this complaint, I will be looking at the mortgage protection life policy, the issues she has had with her title deeds and the letters she has been sent from Lloyds.

The original mortgage that was taken out by Mrs W and her late husband, was taken out a very long time ago. From what Mrs W has said, her late husband used to work for TSB and had free mortgage protection insurance when the mortgage was taken out. I am not disputing that this was the case.

What I need to try and establish – if I can – is what happened to that policy and have Lloyds done enough to try and locate it.

Mrs W has tried very hard to locate documents from the time of the sale and she has managed to locate an agreement for further borrowing which was taken out in March 1988 with TSB. This agreement shows the original mortgage was taken out in 1986 with the balance at the time being £32,673 and the term of the mortgage was until June 2011.

This further borrowing was for £2,500 and under section 10 of the mortgage offer, it says:

*'At no additional cost to the Customer (s) the Bank will insure itself against the death of the Customer whose name appears first in the mortgage over the Property. In the event of the death of the Customer whose life is insured with the Bank will cancel the outstanding principal balance of the previous advance (s) made under the Earlier Agreement of the Further Advance up to a maximum of £50,000.'*

I'd like to thank Mrs W for locating this document as I know it's been difficult for her trying to find what she needs. Having looked at this, I think this document makes it clear that the original mortgage did have life protection attached to it – so this isn't in question. However, the mortgage offer also says that the mortgage term was ending in June 2011. This means that any life protection attached to this policy would cease when that mortgage came to an end. Unless of course, a new policy was taken out with any new mortgage advances.

I can see that a new mortgage was taken out in 2006 which is split into three accounts. Part one of the loan is for £39,361.70, part two is £11,802.25 and part three is for £35,000. It looks like the original mortgage was amalgamated into this one. Part one and part three had a term of five years and seven months, and part three had a term of 10 years. This would likely mean that the previous mortgage would have ended when this one was taken out which would also mean that any life protection on the original one would have ceased – because it was attached to that specific mortgage.

I've read this mortgage offer carefully and there are no insurances that are attached to it.

Mrs W and her late husband did borrow more money over the years, and I have looked at all the mortgage offers that I have been provided with. I can't see that any of them have any mention about any new or existing life protection policies.

I'm satisfied that Lloyds have carried out extensive searches to try and locate a live policy, but they are unable to find anything. They have also said that it looks as though any life protection that would have been included in the original mortgage offer, would have ceased when that mortgage came to an end in 2011.

Lloyds did tell Mrs W that if she did come across anything further that would show that a live policy was in place, they would ensure they deal with it – but having looked at everything

they can, they are unable to find anything that is still valid. I think what they have said here is fair.

Mrs W has also said she has found the letters sent by Lloyds about the mortgage threatening. She also said that Lloyds instructed a field agent to visit the property despite Mrs W being in contact with Lloyds. I have read some of these letters and while I appreciate that Mrs W found these to be threatening, they were not intended in that way.

No mortgage payments had been made to the mortgage account since May 2024, and I do understand that Mrs W believed there to be a mortgage protection policy in place that would pay the mortgage off. But while this was being investigated, mortgage payments should have continued to be made to the mortgage account – but this didn't happen.

Lloyds have a duty of care to ensure that all consumers are kept up to date so it wouldn't have been reasonable for them to ignore the fact that arrears were starting to build on the mortgage while the issue with the protection policy was being looked into. And I don't think it was unreasonable of the field agent to be instructed to find out what was going to happen as Lloyds were concerned that the mortgage was falling further behind with no real outcome as to how the balance was going to be paid off as they could not find a policy in place that would suggest the mortgage was going to be paid off in full. I don't think Lloyds have acted unreasonably here.

The final point to note here is that Mrs W has sold the property now and she's unhappy that Lloyds have 'lost' her title deeds. Lloyds own records show that the deeds were sent to the solicitors in December 2018 as part of a property sale which fell through. The deeds don't appear to have been returned to Lloyds, and they haven't received a response from the solicitors when they asked them if they still held them. Mrs W's property is registered with the Land Registry electronically and Lloyds have confirmed that Mrs W can continue to sell the property without the physical deeds. Most deeds are now held with the Land Registry, so this isn't unusual.

I'm sorry to disappoint Mrs W but I find no reason to uphold this complaint. On balance, I think it's likely that any mortgage protection that was in place ceased when the new mortgage was taken out. I've seen no evidence that anything has been taken out after that time.

I'm therefore satisfied that Lloyds have acted fairly and reasonably in the circumstances of this complaint.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 20 August 2025.

Maria Drury  
**Ombudsman**