

The complaint

Mr S has complained about the service received from Legal and General Assurance Society Limited (L&G) when applying for a life insurance policy.

What happened

The background to this complaint is well known to both parties, so I won't repeat it again in detail here. In summary Mr S had applied online for life insurance on 15 August 2024. This gave him 90 days to complete the application form and if it was accepted, he would pay £272.82 per month for £1,500,000 cover over a 25-year term.

On 21 October he called L&G as he was unsure how to answer a question regarding skin changes – he was awaiting results from a biopsy. The adviser was unable to enter the information required due to a system issue. He told Mr H to call back to speak with another department and that he had until 13 November to complete the application.

Mr S called back on 1 November and was told that his application was postponed. On receipt of the results of the biopsy on 19 November Mr S went to apply again for life cover but the price was more than he had been quoted in August.

Mr S complained to L&G; he wanted L&G to honour the August quote. When L&G didn't uphold his complaint, he referred it to this Service.

Our investigator found that there had been some errors in the application process, but this wasn't the reason that Mr S had lost out on the original price quoted. He acknowledged that Mr S had spent more time on the telephone than was necessary but didn't find that financial compensation was due for this.

Mr S appealed. He didn't think that L&G had followed the usual course and didn't understand why he needed to re-apply which in turn meant that the premium increased. He felt that he should have been told originally that his application was declined, rather than postponed. And that he should have been made aware that a new quote would be generated outside the original 30 day period.

As no agreement has been reached the complaint has been passed to me to determine.

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.

Although I've summarised the background to this complaint, no discourtesy is intended by this. I've carefully consider the represenations made but I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

The regulator's rules say that insurers must conduct business with due skill, care and diligence, and must treat potential customers fairly. So I've considered, amongst other

things, the relevant law, the policy terms and the available evidence, to decide whether I think L&G treated Mr S fairly.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- I can see why Mr S was frustrated with the application process. The application was started on-line, but Mr S sensibly called to check the answer to the specific 'skin' question. Having gone through everything on the telephone, the adviser explained he would need to call again to speak to a different team. When Mr S called back he was told his application was postponed, he feels he should have been told it was declined. I understand applications are automatically postponed if the answer to the 'skin changes' in the last three months question is positive. So although I can see Mr S' point, the effect of the application being either postponed or declined at that time was the same in that a policy wouldn't be offered.
- The results of Mr S' biopsy were returned outside the 90-day period so it was always the case that the application would need to be made again and a premium would be generated at that moment in time – which would be valid for a further 90 days.
- I'm sorry to note that when a new quote was generated the premium had increased. But the underwriting decision to postpone whilst awaiting the results of the biopsy were in accordance with L&G's guidelines (and almost certainly would have been replicated if an application had been made with other insurers). So I don't find that L&G treated Mr S unfairly by declining to offer the initial price generated.
- I recognise that my decision doesn't bring Mr S the news that he was hoping for, but in all the circumstances I don't find that L&G has treated him unfairly or contrary to regulation or law. This being so there is no basis for me to require it to honour the original quote.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 September 2025.

Lindsey Woloski
Ombudsman