

The complaint

Mrs M and Mr V complain that Zurich Assurance Ltd made an error when a life and critical illness insurance policy was set up.

Mrs M and Mr V's complaint has been brought to us by a representative. All references to Mrs M and Mr V's submissions include those of their representative where relevant.

What happened

Mr V is the life assured under a life and critical illness insurance policy. The policy is held in trust, with Mrs M and Mr V as trustees. The policy is underwritten by Zurich and was sold in 2020 by a third-party broker.

Mrs M and Mr V thought they purchased children's critical illness cover on the policy. However, in 2025, it came to light that this wasn't the case and Mrs M and Mr V complained, saying Zurich had made an error.

Zurich said the seller of the policy had created a number of quotes and the final quote submitted didn't include children's critical illness cover. Zurich said it didn't start the policy or amend the terms itself and had acted in line with the instructions given by the seller on the seller's platform. Finally, Zurich said paperwork had been issued confirming the details of the policy provided, which asked the policyholder and the seller to check the cover.

Unhappy, Mrs M and Mr V brought their complaint to the attention of our Service.

One of our Investigators looked into what had happened and said she didn't think Zurich had acted unfairly or unreasonably in the circumstances. Mrs M and Mr V didn't agree with our Investigator's opinion, so the matter has now been referred to me to make a decision as the final stage in our process.

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'm sorry to hear about the circumstances which led to this complaint, and I hope Mrs M and Mr V's child is doing well.

When making this final decision, I'm only considering whether I think Zurich made an error when setting up this policy. The policy was sold by a third-party who is independent from Zurich and who is a regulated financial business in its own right. I can't comment within this final decision on what I think the seller's obligations were. If Mrs M and Mr V are unhappy with any issues relating to the sale of this policy, a separate complaint would need to be directed to the seller.

The Financial Ombudsman Service is an informal alternative to the civil courts. We base our decisions on the specific facts of each individual case. I don't have the power to direct Zurich to carry out an investigation or audit into the setting up of other policies as Mrs M and Mr V

are suggesting.

I have no way of knowing for certain whether Zurich made an error here, so I must make my decision on the balance of probabilities – that is to say what I think is more likely than not to have happened in the circumstances.

I've carefully considered all the information which is available to me. Zurich has provided detailed explanations about how its system works as well as screenshots and timelines as evidence of what it says happened here, alongside quotations which are recorded as having been generated by the seller of the policy. I'm satisfied, based on what I've seen, that it's more likely than not that the eventual quote which was submitted to Zurich excluded children's critical illness cover and was an amendment of the quote generated a few minutes earlier which included that cover. I'm persuaded, based on screenshots I've seen, that it would have been possible for a quotation to be amended in this timeframe.

Zurich has confirmed it has no record of any system error and/or any other complaints about an issue like this. I've also taken into account the policy confirmation details that were sent to Mrs M and Mr V for them to check, which didn't mention children's critical illness cover. The 2021 and 2022 annual policy statements also didn't refer to children's critical illness cover as forming part of the policy.

Overall, I'm satisfied on the balance of probabilities that Zurich acted on the information which was provided to it in setting up a policy which excluded children's critical illness cover.

I accept Mrs M and Mr V's submissions that a previous quotation obtained in 2019 included children's critical illness cover, and the premium saving involved in removing this was minimal. While it is, of course, possible that there was some sort of error here on Zurich's part, the evidence which I've seen simply doesn't support this as being likely. So, I don't think I can fairly conclude that Zurich made a mistake in this case.

I've taken into account the £25,000 benefit information set out on the online policy details. Zurich has explained what this relates to, and it's not children's critical illness cover. I've also considered what Mrs M and Mr V have said about the call which took place in January 2023. The query about children's critical illness cover was made in very general terms and this specific policy wasn't discussed. In these circumstances, I don't think there was any obligation on Zurich to check the policy and confirm whether children's critical illness cover applied, nor would I reasonably have expected Zurich to do this.

I'm sorry to disappoint Mrs M and Mr V and I wish them and their family well for the future, but I won't be directing Zurich to do anything more.

My final decision

My final decision is that I don't uphold Mrs M and Mr V's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr V to accept or reject my decision before 10 November 2025.

Leah Nagle
Ombudsman