DRN-5786177

The complaint

Miss O is unhappy that Legal and General Assurance Society Limited haven't paid claims she made on her employer's group income protection scheme.

What happened

Miss O became absent from work in 2022 and claimed on her employer's income protection policy. The claim was declined and she briefly returned to work. She commenced a secondment role which was a virtual role but became absent from work again. Legal and General declined a further claim Miss O made on the policy.

Miss O complained to Legal and General but they maintained their decision was fair. Unhappy, Miss O complained to the Financial Ombudsman Service.

Our investigator looked into what happened and upheld the complaint. He noted that when Miss O submitted the second claim she'd provided a lot of relevant information which supported her first claim. And he didn't think they'd fairly assessed the second claim because Miss O's seconded role was coming to an end imminently. Following mediation Legal and General agreed to pay Miss O a total of £500 compensation, to reassess the original claim and, if that claim was successful reassess the more recent absence as a linked claim. Our investigator concluded this was fair and reasonable in the circumstances.

Miss O asked an ombudsman to review her complaint. She set out in detail the impact of the last few years on her physical and mental health. She said that she needed the justice and stability to rebuild her life.

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 want to say at the outset that I have a lot of empathy with the circumstances Miss O has described. It's clear that she's had a very difficult time over the last few years in terms of her physical and mental health, including the impact of bereavements.

The relevant rules and industry guidelines say that Legal and General has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

I've thought carefully about Miss O's representations and I fully appreciate why she wishes to have this issue resolved. I can see that the lack of income has had a significant impact on her. However, I'm persuaded that the current offer from Legal and General is fair and reasonable in all the circumstances. I say that because:

- I do think it's fair that Legal and General has the opportunity to review the available evidence to determine if it changes their thoughts about the overall outcome of the claim decision. There's a significant amount of further evidence which is detailed and will need to be considered. I also think it's reasonable for Legal and General to have the opportunity for their medical team to review the contents and provide a detailed response to it.

- I appreciate that Legal and General have had this information since Miss O submitted her later claim. But, on balance, I don't think it leads to a fair outcome to direct the claim to be paid at this stage. If Miss O is unhappy with the outcome of the reassessment of the claim/s she may be able to make a further complaint to the Financial Ombudsman Service.

- In the event that the claim is successful I think it's also reasonable for Legal and General to reassess the second claim on the basis of the policy terms, which allow for linked claims within a specified period. Legal and General has agreed to do so on the basis of Miss O's original occupation, rather than her seconded occupation. I think that's fair in the circumstances of this case as Miss O was clearly due to return to her original role, which was manual.

- Legal and General has offered to pay £500 compensation to Miss O. I think that reflects the impact of the distress and inconvenience caused to her by Legal and General not proactively reviewing the further information she provided and by unfairly assessing the more recent claim on the basis of her seconded occupation rather than her original role. I accept that this caused her avoidable worry and upset at an already difficult time and has extended the claims process. But I think compensation of £500 is fair as it reflects there was an ongoing impact on her. I don't think it's fair and reasonable to direct them to pay the claim bearing in mind the circumstances I've outlined above.

- I know Miss O will be disappointed not to have a complete resolution at this stage and that she wants her claims to be paid. But I'm persuaded this is a fair and reasonable way forward in the circumstances of this case for the reasons I've explained.

Putting things right

Legal and General need to put things right by:

- Reassessing the first claim. If the first claim is accepted they should go on to reassess the second claim on the basis that it is a linked claim.

- Paying Miss O £500 for the distress and inconvenience caused by the way in which her claim was handled.

My final decision

I'm partly upholding Miss O's complaint and direct Legal and General Assurance Society Limited to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 2 October 2025.

Anna Wilshaw
Ombudsman