

The complaint

Mrs H brings this complaint on behalf of the estate of her late husband, Mr H. She complains that LGC Protect Ltd ('LGC') unfairly pressured herself and Mr H into taking out new life assurance policies without properly recording their medical disclosures. Consequently, when Mr and Mrs H came to pursue a claim under Mr H's individual life assurance policy, it was voided by the insurer on the grounds of misrepresentation. As Mr H's previous cover had been cancelled, this meant Mrs H and her family were not sufficiently insured.

To resolve this complaint, Mrs H wants LGC to compensate the financial loss caused to Mr H's estate by putting right the shortfall in the claim value, along with compensation for the distress LGC has caused.

What happened

In October 2018, Mr and Mrs H took out individual life assurance policies through LGC (an insurance broker trading as LetsGoCover) for family protection. Each policy had a level sum assured of £400,000 and a 20-year term, with total premiums of £42 each month.

In late 2023, Mr and Mrs H were sent an email by LGC asking them to discuss their life assurance, but Mrs H had explained Mr H was awaiting test results.

On 2 May 2024, Mrs H and her late husband were called by an agent from LGC (that I'll refer to hereafter as the 'adviser'), with a view to reviewing their protection requirements. During the call, Mr H and Mrs H agreed to take out another AIG joint life policy on a 20-year decreasing term basis with a lower initial sum assured of £280,000, along with two individual Vitality life cover policies with sums assured of £100,000 to run until Mr and Mrs H both reached age 80. The AIG policy had a sum assured that was designed to match future mortgage lending – though this had not yet been put in place. The total premiums for the policies were £69 per month.

Thereafter, LGC cancelled Mr H's policy directly with AIG – though it didn't cancel Mrs H's.

In June 2024, Mr H was sadly diagnosed with a type of terminal cancer. In July 2024, he made a claim for terminal illness benefit under both his individual Vitality policy and the joint AIG policy.

AIG paid out Mr H's policy's sum assured of £279,012.65 on 8 November 2024. However, Vitality rejected Mr H's claim. It said Mr H had misrepresented in his application by failing to inform it of his ongoing endocrinology investigations. Mr H appealed to Vitality and thereafter underwent an amendment of his GP records.

Mrs H complained to LGC. She said, in summary, that LGC's adviser had misled her and Mr H by failing to explain they didn't need new cover and by failing to mention that it would not be appropriate to seek such cover in light of Mr H's recent health changes. Furthermore, she felt the adviser had been purely driven by financial incentives of selling them more individual cover than they didn't need. Mrs H explained that LGC's actions had caused a financial loss of over £100,000.

On 30 September 2024, LGC rejected the complaint. It said its adviser hadn't given Mr and Mrs H any advice, since the sale was conducted on a non-advised basis. It also said the review was carried out to extend the protection of Mr and Mrs H's policies, not because of health changes and it was undertaken in order to ensure that their family's financial needs were covered well into the future.

Mrs H brought Mr H's complaint to this service along with a second complaint about Vitality. It is the LGC complaint that is the subject of this decision. In respect of this complaint, Mrs H said that LGC's adviser had failed to explain to her and Mr H that they didn't have to apply for new life cover at all; the adviser took advantage of their lack of knowledge to sell them inappropriate cover which was both unsuitable and more expensive.

On 7 February 2025, Vitality clarified its reasons for the claim refusal, following Mr and Mrs H's appeal. It said that it accepted that the GP records removed an erroneous entry but its decision remained unchanged because Mr H still had not received his awaited endocrinology follow up appointment.

In March 2025, Mr H sadly passed away. Mrs H thereafter continued the complaint on behalf of the estate of Mr H.

One of our investigators reviewed the complaint and he believed it ought to be upheld. He recognised the adviser had given a disclaimer at the end of the call with Mr and Mrs H on 2 May 2024 that the sale was non-advised. Despite this, he believed that the content of the call constituted advice, as the adviser had made a personal recommendation during the call.

In any event, the investigator agreed that the adviser had acted unreasonably since he failed to accurately record and capture the information given by Mr H to the insurer. This meant non-disclosure of awaited investigations for Mr H – and it was not picked up until Mr H claimed on the policy, which was declined on the grounds of a deliberate misrepresentation.

To resolve matters, our investigator believed that LGC ought to pay the difference from the original joint AIG policy's sum assured and that of the new cover – which totalled £120,987. He also believed that LGC should refund the premiums Mr H had paid for his individual Vitality policy, as well as the difference in overpaid premiums for the AIG policy. Finally, he recommended LGC pay Mrs H £500 for the upset it had caused.

Mrs H accepted the investigator's findings. However, LGC disagreed. It supplied a further written submission. It said, in summary:

- It maintains that the sale of the policies was on a fully non-advised basis.
- It does not hold regulatory permissions to provide personal recommendations to customers.
- It has otherwise acted in line with FCA regulations in respect of non-advised sales.
- The documentation it sends to customers explicitly says that it is for the customer to make a choice as to how to proceed based on the provision of information.
- At no time during the sales call did the adviser tell the customers which options to select, such as joint or single life cover, the sums assured or the policy terms.
- It accepts the adviser failed to correctly record Mr H's disclosure about an upcoming endocrinology appointment.
- However, in the case of the Vitality policy, the cover wouldn't have been offered on several grounds (failure to disclose change in bowel habits, blood pressure and urine tests recorded with his GP) so the adviser's error is not the sole cause of the policy being voided for misrepresentation.

- The errors were also on Mr H's part, since the application process was a shared responsibility.
- It cannot therefore accept full liability for the loss in cover.

Our investigator thereafter spoke with both parties after LGC indicated it would be prepared to settle the complaint without any admission of liability. However, Mrs H was not prepared to accept LGC's offer and so, the complaint was referred for an ombudsman's decision.

LGC made some further comments ahead of referral to an ombudsman. It noted:

- It now understands that the principal grounds for Vitality not offering Mr H cover was his failure to disclose his awaited test results and endocrinology appointment.
- Nonetheless, LGC cannot be held responsible for the non-disclosure of any other symptoms which were not communicated to its adviser.
- Though Vitality would have postponed cover, it could likely have offered it after Mr H received normal test results at his appointment in June 2024.

It also maintains its position that Mr H bore a responsibility to review and confirm the accuracy of the application details before submission.

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.

Before I go any further, I send my best wishes to Mrs H and her family. I was very sorry to learn that Mr H had passed away and I can see how difficult things have been. I also thank the parties for their patience whilst this matter has awaited referral to an ombudsman.

I've reviewed all the information before me, including the representations LGC made following our investigator's view. In reaching my findings, I've set out the background to this complaint in less detail than the parties and I've done so using my own words.

I've also focused on what I consider to be the central issues in the complaint. If there's something I haven't mentioned, it isn't because I've ignored it - rather, it's because I don't need to comment on every argument in order to reach what I believe is the right outcome in the circumstances. Our rules allow me to take this approach; it reflects the informal nature of our service, as a free alternative to the courts.

I agree that this complaint ought to succeed. My reasons for this are summarised below:

- LGC has made numerous comments about whether Vitality could have insured Mr H at the time of the sale in May 2024, had it received accurate disclosures.
- I accept that LGC shouldn't be held responsible for the non-disclosure of any other symptoms or medical information which were not communicated to its adviser. However, I do not agree that this complaint centres on the disclosure of evidence from Mr H to Vitality.
- A separate complaint has been made by Mrs H on behalf of the late Mr H to Vitality. This complaint against LGC centres on the sale of the policies to Mr and Mrs H by LGC's adviser and whether those policies were mis-sold to them as this resulted in Mr H's inability to claim under his individual cover.

- LGC says it did not advise Mr and Mrs H based on the disclaimer given by the adviser and the content of its documentation issued to them after the sales call. Like our investigator, I am not persuaded that the adviser made it sufficiently clear that he wasn't making a recommendation to Mr and Mrs H.
- I would reasonably expect a non-advised sale to mean that the business merely provides information about the relevant insurance or investment being sought by the potential customer. In that scenario, the adviser cannot make any personal recommendations, and it is left for the customer to decide how to proceed.
- It is clear from the content of the telephone sales call that the adviser strayed into suggestions regarding protection requirements for Mr and Mrs H. However, I have not needed to reach firm conclusions as to whether LGC gave advice to Mr and Mrs H during the call, because for the reasons I'll go on to explain, I am not persuaded it satisfied its duties towards them in respect of a non-advised sale in any event.
- And, there were still regulatory guidelines for non-advised sales that LGC had to comply with provided by the Financial Conduct Authority ('FCA'), including in its Insurance Conduct of Business Sourcebook ('ICOBS').
- One such regulatory requirement for non-advised sales was to establish the demands and needs of the customer for the new proposed insurance. However, I do not believe this was clearly established. Mr and Mrs H were encouraged to take out less overall life insurance than they previously had, at a higher cost. Though the individual cover of £100,000 each ran for longer terms, the joint cover retained the same term but was switched to a lower sum assured on a decreasing capital basis without any confirmed mortgage in place.
- In addition to establishing appropriate demands and needs, ICOBS 5.1 provides guidance which says that a business "*should take reasonable steps to ensure that a customer only buys a policy under which he is eligible to claim benefits*". And I do not find that LGC's adviser undertook sufficient effort to establish Mr H was eligible to take out new life assurance cover, because the adviser was notified that Mr H was undergoing medical investigations.
- LGC's adviser was tasked with assisting customers with arranging insurance based on their demands and needs. And it is commonly understood that insurers will likely postpone applications where an applicant is undergoing medical investigations.
- The adviser asked Mr H if he was "*undergoing or awaiting hospital referral, tests, investigations, the results of any investigations or tests or surgery*" and Mr H answered the question by disclosing that he'd had endocrinology investigations but was waiting for final conclusions. He also said he received a letter in February 2024 confirming that he had an appointment for 6 June 2024.
- Thereafter the adviser recorded Mr H's answer to that question as "*no*" and reiterated that to Mr H, who had to correct that mistake. Despite this, the adviser did not pass on the disclosure made by Mr H onto his application.
- I accept that the ultimate responsibility for a misrepresentation rested with Mr H once the applications had been passed to Vitality and AIG. Nonetheless, I find that Mr H made accurate disclosures during the call with the adviser in relation to his awaited endocrinology review, and it was reasonable for him to believe that the adviser would accurately record the answers he gave.

- In any event - and as I outlined earlier in this decision - this complaint is not about the misrepresentation that occurred but instead about the sale of the policies to Mr H (and Mrs H). That required review of Mr H's position of being under medical investigation and this was something he explicitly set out to LGC's adviser during the sales call.
- Had the adviser correctly identified and passed on the disclosure - along with information about retaining old cover until new policies were safely in place - I do not believe Mr and Mrs H would have chosen to proceed with the new policies. They offered less cover over an amended 20-year term. Though the Vitality policies had longer terms to age 80, the combined offering still entailed a lower sum assured overall for a greater combined cost and didn't therefore meet Mr and Mrs H's primary need for family protection beyond the arrangement already in force.
- I am not satisfied that LGC's adviser behaved fairly or reasonably in all of the circumstances. I believe the adviser's actions - by incorrectly recording the disclosure and the failure to take reasonable steps to ensure that Mr and Mrs H's demands and needs were appropriately met - led Mr H to cancelling cover which otherwise would have been in place to claim under in the event of his terminal illness diagnosis.
- But for the actions of LGC's adviser, I am persuaded that Mr and Mrs H would have retained their existing cover until such time that Mr H had clear information about his ongoing symptoms which necessitated tests and referrals to endocrinology.
- However, though Mr H met with an endocrinologist in June 2024, he was diagnosed with a type of terminal cancer in July 2024, following an expectation of malignancy discovered on 6 June 2024.
- I am not persuaded that there was any reasonable point at which Mr H could have obtained new insurance with Vitality in order to match his previous existing life cover provision.
- I am satisfied, on balance, that the existing AIG policy would have paid £400,000 of terminal illness benefit to Mr H on the same basis as the new AIG policy had Mr and Mrs H been able to make that claim in July 2024.
- It follows that I believe the actions of LGC's adviser have caused the late Mr H a direct financial loss as well as upset for Mr H whilst he was dealing with his prognosis – for which compensation ought to be paid. I'll set that out below.
- Finally, I have considered the upset the late Mr H was caused during the claim process. I believe additional compensation is warranted here for the distress of Mr H having to pursue a claim against Vitality, when his existing provisions should have remained in place but for the actions of LGC's adviser. This caused him particular upset during a period where he had been diagnosed with a terminal illness.
- What this service does is consider if a business has treated a complainant unfairly because of its actions or inactions. And if it has done so, we then go on to consider what ought to be done to put the mistake(s) right. As well as putting right any financial losses in a complaint, we also consider the emotional or practical impact of any errors on a complainant.

I believe compensation of £500 is merited in the circumstances where LGC caused

additional distress and inconvenience to Mr H in pursuing a claim that could not succeed with Vitality, at a time when he was dealing with the stress and worry of his medical circumstances.

Putting things right

I am satisfied that if LGC hadn't mis-sold new cover in May 2024, Mr H would have received a payment of £400,000 from his former AIG level term assurance policy for his terminal illness benefit claim by the same date as the new policy – that being 8 November 2024.

I direct LGC to undertake the steps below:

- (A): pay the claim on behalf of the estate of Mr H, on the basis Mr H had been able to pursue the terminal illness benefit claim on his existing AIG £400,000 level term individual life assurance policy. AIG paid out under the new policy, but this should not have been sold to Mr H, so LGC ought to be liable for the balance of the loss. That calculation is $£400,000 - £279,012.65 = £120,987.35$.
- (B): make a refund of the premiums paid by Mr H for his Vitality policy from commencement in May 2024 to cancellation in January 2025 (as these were withheld by the insurer on the grounds of deliberate misrepresentation) since this insurance ought never to have been taken out by Mr H.
- (C): assess the balance of any premiums for Mr H's share of the new AIG policy including the refund of Vitality premiums at point (B) above and refund any payments made by Mr H from the date of commencement in May 2024 to the date of settlement on 8 November 2024 which exceeded £26.30 per month (the premium for the existing AIG policy). This is to place the late Mr H in the correct position, which would have been to retain his existing cover until payment of the claim in November 2024.

To the calculation A+B+C given above, LGC must pay simple interest of 8% per year from 8 November 2024 (the date on which the payment should have been made to Mr H) to the date of settlement.

If LGC considers it's required by HM Revenue & Customs to deduct income tax from any interest paid, it should confirm this deduction to Mrs H on behalf of the estate of Mr H. It should also issue a certificate showing this, if required. That way Mrs H may be able to reclaim the tax from HM Revenue & Customs, if appropriate.

The above calculation should be paid to the estate of Mr H within 28 days of LGC receiving notice of acceptance of my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment, at a rate of 8% simple per annum.

Finally, LGC must pay £500 compensation to the estate of Mr H to reflect the distress and inconvenience caused to Mr H for the reasons outlined above.

My final decision

For the reasons explained, I uphold this complaint. I direct LGC Protect Ltd to take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr H to accept or reject my decision before 6 March 2026.

Jo Storey
Ombudsman