

The complaint

Mr L is unhappy with the sale of his income protection policy by Lifesearch Partners Limited (LPL).

What happened

Mr L was sold an income protection policy through LPL on 30 October 2024. It was an advised sale over the telephone.

Mr L says he was told by the advisor that his policy would cover him for anxiety and depression after four or five months. But when he tried to make a claim on the policy it was declined due to an exclusion for mental health conditions.

Unhappy with this, Mr L cancelled the policy and raised a complaint that the policy was mis-sold.

Our investigator looked into what had happened and said she didn't think the policy had been mis-sold.

Mr L disagreed. In summary he said:

- The crux of his complaint is about the sales call and being told by the advisor his policy would cover anxiety and depression
- LPL told him during the sale that the policy had all the requirements he wanted
- He thinks the policy was worthless for him as he wasn't able to make use of it

The case has now been passed to me to make a decision.

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.

The relevant rules and industry guidelines say LPL is required to take reasonable care to ensure the suitability of their advice when selling this insurance. And they are required to provide clear, fair and not misleading information about the policy - this includes drawing a policyholder's attention to the significant exclusions and limitations of the policy.

I want to reassure Mr L I've listened carefully to his call with LPL on 30 October 2024 to identify if they provided him with suitable advice.

I can see LPL discussed Mr L's requirements for cover and obtained information about his circumstances before providing a policy quotation. Here is a summary of the call:

The sales call

- Mr L explained he didn't receive any sick pay, so he wanted an income protection policy to cover him if he's unable to work.
- LPL collected some basic information from Mr L about his salary, type of employment, earnings and financial outgoings. He was also asked some basic questions about his health and Mr L disclosed he suffers from high blood pressure.
- Mr L also explains he was absent from work for a month in August 2024 for anxiety and depression, and confirmed he was taking medication for this condition over that time. The advisor checked when his last symptoms were and if he'd seen any other medical professional apart from his GP.
- Mr L is taken through the cost of the policy and his monthly premium. LPL discuss the deferred period under the policy and explained this is a waiting period before the policy will pay out. LPL advised Mr L to take the shortest deferred period because he didn't have any of his own sick pay entitlement – I think this advice was suitable to Mr L needs at that time.
- LPL told Mr L it's likely an exclusion would be applied to his policy for claims relating to anxiety and depression due to his recent absence from work for this condition. LPL said the exclusion is usually on the policy for at least 12 months, but it could be removed in future - possibly after six months.
- Mr L checks his payment can be taken on a day of his choice and LPL confirms he can pick any day between the 1st and 28th of the month. A date is agreed, and the application is started.
- Mr L is taken through full medical screening. LPL asked him about any pre-existing mental health conditions, other than the one he had already disclosed, and they go through all his personal, lifestyle and employment circumstances.
- The application is put through, and LPL informed Mr L the policy has been agreed on the terms they'd discussed.
- LPL confirmed the exclusion for anxiety, stress and depression has been applied for at least the first four months of cover. Mr L is advised to contact LPL anytime he wants the policy reviewed and they can see if the exclusion could be removed.

Following the sales call Mr L was sent a letter showing his demands and needs and providing links to the quote and policy key features document. Both the quote and policy schedule set out the exclusion for anxiety and depression that was added to the policy. Mr L was told to check this information carefully and to contact LPL if he had any questions or wanted to make any changes.

Taking all the above into account, I'm not persuaded LPL provided unsuitable advice during the sales call. He was made aware of the exclusion for his mental health and the policy they recommended was in line with Mr L's sick pay entitlements, financial budget and the needs he had set out during the sales call.

The exclusion

I appreciate Mr L's frustration that when he submitted a claim it was declined because he had an exclusion for anxiety and depression. But I don't think this is something I can reasonably hold LPL accountable for. I'll explain why.

- I think LPL did enough to make Mr L aware that his policy included an exclusion for any claim relating to anxiety, stress or depression. The exclusion was clearly explained during the sales call several times to Mr L, and he acknowledged he understood it.
- Mr L said the advisor told him the exclusion would be removed after four months. However, having listened to call, the advisor said the exclusion would last *at least* four months and that Mr L would need to contact him in the future if he wanted the exclusion reviewed. But it doesn't appear Mr L ever contacted LPL to review his exclusion so it was never removed - this isn't something I can reasonably hold LPL accountable for.
- There also isn't anything in the policy documentation to indicate the exclusion for anxiety and depression would only apply for a specific period.
- Mr L was advised to contact LPL to review the exclusion if he wanted. And he was provided the relevant contact information to do so. I think it's reasonable for Mr L to have contacted LPL to discuss the exclusion as advised as it was so important to him. Unfortunately, this didn't happen, but that isn't something LPL is responsible for.
- I'm not persuaded Mr L would have been able to find similar cover elsewhere without the exclusion in place because his absence from work for anxiety and depression took place shortly before the policy was taken out.

I think on balance this policy was still suitable for Mr L's needs. He wanted to a policy to cover his bills if he was unable to work because of an illness and this policy would've provided cover if he was unable to work due to any illness other than anxiety and depression.

So even though the exclusion for mental health conditions remained on his policy for longer than he thought, I'm persuaded Mr L was still able to benefit from the policy. As LPL had made Mr L aware of the exclusion applied to his policy, and he didn't contact them again to have it reviewed, I'm not persuaded LPL need to do anything further here.

I appreciate Mr L's upset that he was unable to make a successful claim. But for the reasons I've explained above, I don't think there is anything I can reasonably ask LPL to do here.

My final decision

For the reasons set out above I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 January 2026.

Georgina Gill
Ombudsman