

The complaint

Mrs T complains that Surrey Downs Financial Services Limited (“Surrey Downs”) failed to properly set up her life and critical illness policy and gave her misleading information regarding this.

What happened

Mrs T was contacted by an appointed representative (“AR”) of Surrey Downs on 26 April 2024 regarding taking out a life and critical illness policy. Mrs T was sent quotes for the cover on 30 April 2024 and again on 13 May 2024. Mrs T then contacted the AR on 21 August 2024 to ask about putting the cover in place. The cover was then put in place and backdated to 28 July 2024 which had been agreed previously as the start date.

Sadly Mrs T was diagnosed with a serious illness and tried to make a medical claim on the policy. But during the process of claiming, she found that the commencement date of the policy was important in her claim, which prompted her to raise her concerns with Surrey Downs in May 2025.

Mrs T said she was unhappy that the AR had misrepresented the start date of the policy. She felt the policy ought to have commenced in April 2024. She also felt the AR had failed to provide clear and timely documentation. She also said the AR had failed to proceed with her application in a timely manner and that this could impact her medical claim on the policy, all of which caused her considerable stress during a vulnerable time in her life.

Surrey Downs looked into Mrs T’s concerns and wrote to her on 11 June 2025 to provide its final response letter. In this letter, Surrey Downs explained the following:

- A policy start date cannot be initiated by a broker until consent has been provided by a client, application details have been checked and confirmed as correct by a client, and premium payment method has been provided to the provider.
- A provisional start date can be established once an application has been started but this would still be subject to the provision of the above.
- There’s evidence of correspondence from the AR in the form of WhatsApp messages, voice notes and an email confirming that the policy was not live, and that confirmation of the application details and payment bank account were required in order to activate the policy.
- Mrs T didn’t provide this information until 21 August 2024 despite being provided requests for this information and so it didn’t agree that the AR had failed to complete the application in a timely manner.
- Regardless of this, it noted that the policy was activated with a backdated start date in line to that in the application and policy documentation provided to Mrs T for checking at the outset of the application.
- It felt there was a lack of clarity as to whether the provisional start date was the 28 July or 4 August 2024 across the timeline of the correspondence. Whilst it didn’t believe that this would have impacted the efficacy of the policy, Surrey Downs apologised for the confusion and offered Mrs T £150 for the lack of accuracy in the provision of this information.

- The AR confirmed that it was offering a promotion to clients for completed applications in April 2024 of three months' free premiums, but the deadline was missed due to the lack of activation and bank details.
- It could find no evidence that the AR made a payment to Mrs T equal to 3 months' worth of premiums in September to offset the premiums she would have paid to cover the period to 27 October 2024. This would have equalled £42.21 and so it offered this to Mrs T plus 7% APR interest (Bank of England Base Rate at September 2024 plus 2%) from 1 September 2024 to 1 July 2025, as well as a further £150 for the inconvenience caused.

Mrs T didn't accept Surrey Downs findings and so she referred her complaint to this service for an independent review. While the complaint has been with us, Mrs T raised further concerns that her medical claim had been declined by the policy provider, and the policy had been cancelled.

One of our investigators considered the complaint but felt Surrey Downs' offer was fair and reasonable in all the circumstances. In summary, they said:

- The initial quote was sent over to Mrs T was on 30 April 2024 for her to review and to confirm she wanted to proceed with the policy.
- On 13 May 2024, the AR again provided the information for review by email. This was chased on 3 and 30 June 2024, and 8 July 2024 to see if Mrs T wanted to continue with the application.
- They hadn't seen any evidence of Mrs T responding to this until 21 August 2024 and so they didn't think Surrey Downs had done anything wrong in not starting the policy until this information was received.
- Despite this, they noted that the application was accepted with a backdated start date of 28 July 2024.
- Surrey Downs has accepted that the AR didn't provide clear information about the start date of the policy and they could see that there were many different dates referenced. But as none of them were before 28 July 2024, when the policy start date was backdated to, they didn't think it impacted Mrs T's expectations or the efficacy of her cover.
- They acknowledged that AR had provided misleading dates but felt the compensation offered was fair and reasonable considering the backdated start date was the earliest communicated and wouldn't have affected her medical claim.

Mrs T didn't accept the investigator's findings, as she felt more compensation was due as it didn't account for the considerable distress and inconvenience she suffered during a period where she had been diagnosed with a serious illness. She felt compensation should be increased to £10,000.

As Mrs T remained unhappy, the complaint has been passed to me to decide.

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.

Having done so, I agree that the outcome reached by the investigator is fair and reasonable. I'll explain why.

I'd like to assure Mrs T that I've considered a full timeline of correspondence between her and the AR, as well as Surrey Downs in reaching my findings. Although I will only comment

on the correspondence which I have relied upon.

I understand that Mrs T was an existing client of the AR and that the AR initiated contact with her in late April 2024 in order to discuss her ongoing protection needs. The first discussion regarding the possibility of setting up the life and critical illness policy commenced on 26 April 2024. Surrey Downs has provided a copy of the call notes from the AR which suggest that Mrs T wanted some quotes for a policy and that the AR would base the draft quotations on information provided by Mrs T in her historic fact find, but that Mrs T would need to check the details are correct before the activation of the policy.

Surrey Downs has also provided our service with a copy of a call note from the AR with Mrs T dated 30 April 2024. In this, I can see that the AR said it had sent Mrs T a quote which also included critical illness cover. The note says the AR asked Mrs T to provide it with a written instruction and that it had sent over a copy of the application for her to view with the listed bank account details those which it held on file. The note explained that the AR was waiting for Mrs T to confirm these details and whether she was happy to proceed with the recommendation. Surrey Downs says it has also listened to a voice note sent to Mrs T from the AR which supports the call note. Surrey Downs has not provided a copy of this but has supplied a transcript of this. Within this I note that a policy commencement date of August 2024 was suggested.

Surrey Downs has also provided a transcript of Whatsapp messages between the AR and Mrs T – including notes on whether these messages were read by Mrs T. The messages of most significance to my decision, which I've summarised, are as follows:

- 1 May 2024 - Previously used bank details sent to Mrs T for checking and confirmation (read by Mrs T).
- 2 May and 3 May 2024 – Follow ups to above message (read by Mrs T).
- 8 July 2024 – Voice note sent in which the AR says: *“Darling can you please let me know what I am doing with your Legal & General... Obviously it hasn't started yet but I've been reaching out for 3 months now...”* (read by Mrs T).
- 21 August 2024 – Message from Mrs T explaining that she never received any documentation and that she had been dealing with a lot. Also a response from the AR providing the previously supplied documentation.
- 24 August 2024 – Message from Mrs T – *“Good morning [...] in reflection I am sure you said that payment would start in September/October? And what's is my free gift?”*
- 24 August 2024 – Conversation regarding free cover and the AR explaining that *“The free gift was nothing to pay till September you have had free cove[r] since April”*.

Having considered these messages, I think it ought to have been clear to Mrs T that the policy hadn't yet commenced. However, I note that the AR's message on 24 August 2024 was misleading as it said there had been cover in place since April 2024 as a free gift. Surrey Downs has explained that there had been cover since May 2024 (90 days) in terms of Accidental Death cover provided by the policy provider during the application process until activation of the policy. I've thought carefully about this message and although I think in isolation this message would have been misleading to Mrs T, I think the previous messages made it clear to Mrs T that full cover was not yet in place, as the requested documentation had not been supplied. I've also seen further evidence of correspondence sent to Mrs T which pre-dates this message, which I will go on to comment on. However, I've considered this misleading information and will address this in my overall findings regarding the level of compensation offered by Surrey Downs - under the heading “Putting things right” below.

I've also seen evidence of an email sent from the AR to Mrs T dated 13 May 2024 in which the AR confirmed that the application had been accepted by the policy provider. This

explained:

“Your applications have been accepted at standard rates, of £26.30 for £50,000 worth of life cover and we have the cover with a start date of 03/08/2024 and a premium payment date of the 2nd

[...]

I have added the critical illness element on as well for £14.07 as we are doing the promotion with this benefit so you have free cover with critical illness until November, on the 1st of September you will see a bank credit go in to your account for £42.21 and this is to cover September, October and November’s premiums so you do not start paying for the critical illness until November if you would like to carry this benefit on.

If would like to review all of the information within the application forms to ensure it is correct. If you do want to make any amendments or changes, please come back and let us know and we will be happy to help you with this.”

It’s unclear why the AR proceeded to submit the application for the policy without Mrs T’s confirmation, especially considering it had been waiting for Mrs T to respond to its questions. I note that the final response letter from the policy provider (regarding a separate complaint about the policy), also supports that an application was submitted by the AR on 2 May 2024. Regardless, it’s clear from this email that the policy commencement date was set to 3 August 2024. Therefore, this doesn’t support Mrs T’s argument that she believes the policy ought to have started in April 2024.

Surrey Downs has also provided information which the policy provider sent to the AR. This includes a letter dated 28 July 2024 notifying that an attempt to take the first premium via Mrs T’s direct debit details included in the application had failed. It would also appear that the policy provider sent a letter to Mrs T in August 2024 reminding her of the missed premium and warning her that the application could be cancelled.

Having considered everything, whilst it’s not clear why the AR submitted the application for the policy without ensuring Mrs T’s details were correct and that she wanted to definitely proceed with the policy, I’m satisfied it was fair and reasonable for the policy to not proceed until Mrs T had supplied the correct information for the policy. From all the information provided, it would appear that the policy commencement date was set for August 2024, as confirmed in the correspondence sent to Mrs T by the AR. However, I acknowledge that there was some confusion caused by the AR’s correspondence of the 13 May 2024 explaining the application had been accepted and in the Whatsapp message sent on 24 August 2024 suggesting free cover had been in place since April. Regardless, it would appear that Mr T failed to contact the AR to confirm her details and to ensure that the policy was in place. I understand that Mrs T has explained to our service that she was unfortunately dealing with the loss of her mother at the time, amongst other personal issues, and that’s why she didn’t follow up with the AR. However, in failing to do so, I don’t think it would be fair or reasonable to hold Surrey Downs responsible for any delay in the policy being correctly set up.

I also note that Mrs T was able to recommence the policy following her contacting the AR in August 2024 and she was also able to backdate the commencement date of the policy to 28 July 2024. It’s not clear why this date was accepted by the policy provider – I find it possible that it could be because this was the date when the direct debit premium was first attempted to be taken. But regardless, I’ve not found any reference to an early commencement date than this one.

Putting things right

There has clearly been some confusion caused by the AR in its communication with Mrs T but I must weigh up the overall impact this had on her. Whilst I appreciate this happened during a very difficult time for her, I think Surrey Downs's offer fairly reflects the distress and inconvenience caused to her. I say this as although the AR could have been clearer in its communications with Mrs T on 13 May and 24 August 2024, I've not seen any evidence to support that the policy ought to have been activated any earlier than in August 2024 when Mrs T confirmed she wanted the direct debit. I'm also aware from correspondence regarding her medical claim with the policy provider that, although the commencement date is important to the claim, the misleading communications had no bearing on the claim as I'm satisfied the policy shouldn't have been activated any earlier than agreed with the AR and the policy provider.

I understand Mrs T believes the compensation should be increased to £10,000, however, I think the offer of £300 fairly reflects that the misleading information was limited to two significant communications requiring only a small amount of effort to sort out. It also fairly reflects that although the AR caused these errors, there was equally a responsibility for Mrs T to respond to the AR's other communications which I've determined were clear and not misleading.

I note that the AR had a promotional offer at the time and I'm pleased to see that Surrey Downs has honoured this offer and has agreed to make a payment to Mrs T equal to 3 months' worth of premiums in September to offset the premiums she would have paid to cover the period to 27 October 2024, plus for the time she has been deprived of these funds.

So to put things right for Mrs T, I direct Surrey Downs to pay the following to her:

- £300 for the distress and inconvenience caused as a result of the unclear correspondence sent to her on 13 May and 24 August 2024.
- £42.21 plus the interest it has offered for the three months' worth of premiums in September to offset the premiums she would have paid to cover the period to 27 October 2024.

My final decision

My final decision is that I direct Surrey Downs Financial Services Limited to pay the compensation it has already offered Mrs T in its final response letter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 2 January 2026.

Ben Waites
Ombudsman