

The complaint

Ms G is unhappy that Legal and General Assurance Society Limited have declined a claim she made for permanent and total disability (PTD) on her life insurance policy.

What happened

Ms G was injured in an accident over 10 years ago. She claimed on her life insurance policy which has a benefit for PTD. She's previously complained about the handling of the claim.

This complaint focuses on the decline of the claim and customer service issues dealt with in a final response letter dated December 2024. Legal and General offered £400 compensation for delays in handling the claim but maintained their decision to decline the claim was fair. Unhappy, Ms G complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. He thought Legal and General had reasonably instructed an Independent Medical Examination (IME) and had relied on the findings of it and the opinion of their Chief Medical Officer (CMO). Our investigator thought the £400 compensation fairly reflected the impact of the delays.

Ms G didn't agree and asked an ombudsman to review her complaint. She highlighted medical evidence in support of her claim being paid and didn't agree the IME report was fair. Ms G also said that multiple official bodies had accepted she had an irreversible permanent disability. So, the complaint was 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.

I'm sorry to read of the circumstances which led to Ms G claiming. It's clear she's had a challenging time in relation to her health and I empathise with the circumstances she's described.

I acknowledge that I've summarised this complaint in far less detail than Ms G has, and in my own words. I won't respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

The rules that govern our service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to fulfil my statutory remit.

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

Permanent and Total Disability before age 65

The guaranteed sum assured will be payable:

... (b) if the life assured, before the age of 65, is engaged in a gainful occupation immediately before the onset of disability and is, by reason of sickness or accident, totally unable follow any occupation and in the opinion of Legal & General is likely to remain so permanently. Such decision will be based on all the medical evidence available.

I'm not upholding this complaint because:

- I think it was reasonable for Legal and General to carry out an IME. I can see that this was recommended by the CMO given the complexity of Ms G's health and due to the length of time which had passed since she'd stopped working. It's also common industry practice in such cases.
- The IME concluded that Ms G couldn't be considered permanently unable to perform any type of work. I'm satisfied this was carried out by a suitably qualified expert. Ms G has said the IME didn't have access to her medical records, but the expert specifically referenced having access to them and her medical history is discussed in detail in the report. Therefore, I think Legal and General reasonably relied on the contents of the report.
- The report was also shared with Legal and General's CMO who reviewed the contents and who also had access to Ms G's medical records. Therefore, I think Legal and General took appropriate steps to ensure that Ms G's circumstances were fully considered before declining the claim.
- I've carefully considered the medical evidence presented by Ms G in support of her claim. However, I think it was reasonable for Legal and General to place less weight on that evidence. I say that because the information provided by Ms G's GP and her consultant doesn't set out in detail why Ms G is unable to work and doesn't comment in detail on her functional capability.
- Whilst Ms G has been awarded state welfare benefits, this doesn't mean that she's entitled to the policy benefit. Her claim is subject to the relevant policy terms and, for the reasons I've explained, I'm satisfied Legal and General has fairly declined it.
- I agree that since Ms G last complained to Legal and General there were some avoidable delays in handling the claim. I think a total of £400 compensation fairly reflects the impact of the distress and inconvenience caused by those delays on Ms G when she was already worried about the claim and dealing with the impact of her ill-health.
- I appreciate that Ms G says the claim has been ongoing for years. However, my decision focuses on the issues which have arisen since Legal and General dealt with Ms G's last complaint and which were addressed in the most recent final response letter.

My final decision

Legal and General Assurance Society Limited has already made an offer to pay £400 to Ms G to settle the complaint and I think that's fair in all the circumstances.

My final decision is that Legal and General Assurance Society Limited should pay £400 to Ms G if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 17 February 2026.

Anna Wilshaw
Ombudsman