

## **The complaint**

The estate of Mrs C has complained that The Royal London Mutual Insurance Society Limited delayed in accepting an application for life and critical illness cover.

## **What happened**

The background to this complaint is well known to the parties so I won't repeat it in detail here. In summary Royal London cancelled an application Mrs C made in July 2020. It reinstated the application in October 2020, re-sent the application form and the policy started on 25 November 2020. Very sadly Mrs C passed away in August 2021 and the estate made a claim. Royal London didn't meet the claim and cancelled the policy as Mrs C hadn't correctly answered the questions on her application with regard to her change in health and referral for investigations. Had it done so no policy would have been offered at that time. Mrs R represents the estate.

Our investigator didn't recommend that the complaint be upheld. Mrs R appealed on behalf of the estate. She felt that it was both wrong and bad practice to cancel the policy without informing Mrs C.

As no agreement has been reached the matter has been passed to me to determine.

## **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 aware I've summarised the background to this complaint and some sensitive medical details. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've fully reviewed the complete file and considered the representations the estate made after the investigator's view. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I recognise that the estate will be very disappointed my decision and I'm sorry it doesn't bring more welcome news, particularly given the very sad circumstances that led to the claim being made. But for the following reasons I agree with the conclusion reached by the investigator:

- Mrs C had applied for a policy through an independent intermediary online on 30 July 2020. Royal London responded the next day to Mrs C by email asking further underwriting questions. I'm satisfied that this email was sent and to the correct email address. I don't find that Royal London was under a duty to chase Mrs C for a response.
- On 21 August 2020 Mrs C's intermediary called Royal London to check whether Mrs C had responded to the questions, it confirmed that it had been chasing Mrs C for a

response. Royal London said it hadn't received a response. The intermediary asked Royal London to cancel the application. Royal London did so – I find this was fair. It acted on an instruction from Mrs C's insurance intermediary.

- However, on 27 October 2020 Mrs C called Royal London to enquire about her application. She said that she did wish to proceed and asked what was outstanding. Royal London re-activated the application. It confirmed Mrs C's email address and re-sent the email asking for further details. On 9 November 2020 Mrs C called for an update. She said that she had emailed the information two weeks ago. But as it appeared that the email hadn't sent, she asked if she could give the information on the phone, and she was passed through to a different operative to do so.
- For completeness I would add that Mrs C didn't say on this call that she had called several times prior to this. Nor is there anything to suggest that she was told there were delays in processing applications at Royal London. I have not disregarded Mrs R's testimony that Mrs C would have responded and did try to contact Royal London prior to the call on 27 October 2020, but there is no evidence before me to support this.
- Mrs R, on behalf of the estate, says that Mrs C was waiting to hear from Royal London and that it shouldn't have cancelled the policy without informing Mrs C. She also makes the point that Mrs C had until the end of September to return the form. I have considered these points. But there was no date given to respond to the further underwriting questions, and as the policy didn't commence until November 2023 – it was the *application* for the policy that was withdrawn on the instruction of Mrs C's insurance intermediary. In this decision I'm looking at the actions of Royal London only, not of the intermediary. As indicated above as a response hadn't been received by Royal London from Mrs C, I don't find it was wrong to accept the intermediary's instruction to withdraw the application in August 2020.
- On the basis of the information Mrs C provided Royal London on 9 November 2020 it offered Mrs C terms on 23 November 2020. But Mrs C hadn't updated Royal London about the changes to her health prior to 9 November 2020, or changes to her health before the policy commenced on 25 November 2020. Unfortunately, there had been changes to Mrs C's health by that time. It hasn't been disputed that had she told Royal London about the changes, terms wouldn't have been offered to Mrs C by Royal London. In all the circumstances I don't find that Royal London treated Mrs C unfairly or that there is any basis for me to require Royal London to pay the estate's claim.
- The estate has complained about the time taken to respond to the claim, and I can see Royal London apologised and offered compensation. But as explained by the investigator I'm not able to look into the issues experienced by the representatives of Mrs C's estate when making the claim. The estate can take this up directly with Royal London if it wishes to accept the offer made.

### **My final decision**

For the reasons given above my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs C to accept or reject my decision before 28 November 2023.

Lindsey Woloski

**Ombudsman**