

The complaint

Mr A complains he was unable to use a voucher Legal General Assurance Society Limited ("L&G") gave him under an agreement made with him when he took a life policy with L&G. He says he suffered losses as a result as well as distress.

What happened

Mr A took a life policy with L&G starting in February 2021. He became entitled to a £100 voucher after the policy had been in place for six months. More than a year after receiving the voucher, Mr A tried on a Thursday in October 2022 to use it but found he couldn't. He has explained the supplier told him it had already been used. But he says he hadn't used it.

Mr A contacted L&G that day – around lunchtime. He says L&G initially said the voucher had expired because it was more than a year old, but he says he provided proof it should last for ten years. Mr A contacted L&G again at around half past three - he says he had been on the phone to the supplier in the meantime. L&G agreed to issue a replacement gift card, but it told him it could take ten working days to arrive. The replacement he got was worth £110.

Mr A complained to L&G that not being able to use the voucher that Thursday had ruined plans he had worth almost £400. He has told us he had been trying to use the voucher to buy an item to arrive on Friday for a weekend event he was due to depart for on Saturday morning. He has explained he then didn't attend the event because without the item he was unable to participate in the main purpose of the event.

Mr A has told us the item cost less than £100 and he didn't have enough money in his account to pay for it when the voucher didn't work – because he kept the voucher to use when didn't have other cash available. He says that by the time his calls with L&G had finished it was too late to contact the bank and add funds to his account. He says he could've done this the next day but ordering the item at that point would've meant next day delivery was for Saturday and he couldn't rely on the item arriving before he had to leave.

L&G said it would consider Mr A's claim for the cost of the event, which he specified as £360, but it might need to see evidence of the payment - such as a receipt showing the amounts paid, the date he booked and the date he was due to attend. Mr A has said it was a private event whose informal nature meant evidence of that kind wasn't available – although he has said he could get written testimony from others who attended the event.

In reply to his complaint, L&G offered Mr A £100 for inconvenience caused and £80 to cover a next day delivery service he had signed-up for. Our investigator thought that was fair. Mr A didn't agree. As the matter couldn't be resolved informally, it was 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.

In doing so I've listened to all Mr A's calls to our service and I've thought carefully about

everything he has told us. Having done so, I think L&G should pay Mr A £180 to compensate him for financial loss and inconvenience he suffered due to L&G's error. I've explained my reasoning below.

L&G has told us it is too late now to get more detail about what exactly happened with the first voucher. Mr A disagrees and says L&G could find out more if it wanted. He says the supplier has told him so – and that only L&G could get this from the supplier. Mr A has suggested someone else might have used the first voucher or L&G may have provided it to someone else as well as Mr A. L&G doubts a voucher could've been given to more than one person to use. Mr A says if L&G can't find out more, it should go to the police. I've thought about all this, but what exactly happened with the voucher wouldn't change the outcome here - because L&G has already replaced the voucher. So I won't discuss that further here.

L&G was responsible for providing Mr A with the benefit of the voucher. It hasn't argued Mr A received that benefit – for example it hasn't claimed Mr A used the voucher himself. It hasn't provided anything to show another party was responsible for him not receiving that benefit. It hasn't offered evidence of a technical error that stopped Mr A using his voucher – and it says evidence like this can't now be obtained.

With all this in mind, I find L&G at fault for Mr A not having a valid voucher to use when he tried to use it in October 2022. I have power to award compensation for distress and inconvenience and also for financial loss. The aim of compensation for financial loss is to put the consumer in the position they would've been in had it not been for the error being redressed. L&G replaced the voucher with one worth £10 extra. I find this appropriate.

Mr A has pointed out that if he misses a £10 direct debit for the policy premium, he faces a charge of £40, which is many times the amount of the direct debit itself – and he says in general if he makes an error, the financial cost to him is often significantly higher than the amount he has failed to pay or paid late. He has suggested that my award against L&G should take a similar approach. But in my view fair compensation for financial loss in this case is an amount that replaces the value Mr A has lost – and the £110 gift card L&G sent to Mr A did this adequately as far as the voucher is concerned.

L&G accepts Mr A paid for a priority delivery service subscription which was not of use to him when he wasn't able to use the voucher as he had planned. L&G offered him £80 for this and he has told us this is fair for that. With this in mind I find L&G's offer is fair redress for that expense and I see no grounds to make a different award for it.

Turning to the other losses Mr A has claimed, related to the event he didn't attend, I'm grateful to Mr A for explaining the nature of this for us in more detail. I'm satisfied Mr A needed the item to get full benefit from his event, and so I understand why he wouldn't have wanted to attend the event without it. But bearing in mind the dates I've mentioned above, my view is Mr A tried to order the item very close to the last possible time he could've ordered it and still got it. This meant that if there were any kind of problem - like the one that did happen with the voucher, which was compounded by Mr A not having immediately available any other ways to make the payment when the voucher failed - the possibility would arise that the item might arrive too late for Mr A to have it available for use on his trip. In my view this is what happened and, on balance with all I've said above in mind, I'm not persuaded it is fair to order L&G to repay Mr A's event costs in these circumstances.

L&G has offered Mr A £100 for inconvenience. I find this fair, bearing in mind L&G agreed to replace the voucher on the same day Mr A told L&G of the error – and that Mr A did suffer some frustration and inconvenience in the meantime, having to make calls to try to sort out the situation.

So, in light of all I've said, I uphold Mr A's complaint on the basis and to the extent I've explained above.

I've grateful to Mr A for the time he has taken to explain things to us, and I thank Mr A and L&G for their help with our investigation of the complaint.

Putting things right

To put things right, Legal and General Assurance Society Limited should pay Mr A £80 for financial loss and £100 for distress and inconvenience caused by the failings I've identified above.

My final decision

I uphold Mr A's complaint on the basis and for the reasons I've explained above.

Legal and General Assurance Society Limited should put things by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 December 2023.

Richard Sheridan
Ombudsman