

The complaint

Mrs N's complained that Lifesearch Partners Limited ("LPL") didn't accurately record the answers given by her late husband on their life insurance application – which led to the claim she made on the policy being declined by the underwriter.

What happened

Over the last few years, Mr and Mrs N bought a series of life policies through LPL, replacing policies as their circumstances changed or they were told better or more competitive policies were available. The complaint Mrs N has made relates to a joint policy providing decreasing life cover which she and Mr N bought in March 2020. Mr and Mrs N bought individual life policies at the same time.

Mr and Mrs N both completed health and lifestyle questionnaires by providing their answers over the telephone, with the LPL adviser filling in the forms. Mrs N says that her husband made full disclosure to the adviser, who found them a policy with an insurer I'll refer to as U.

Mr N very sadly died in early 2022. Mrs N submitted a claim to U. U declined the claim, because they said Mr N hadn't given accurate answers in the health questionnaire to questions about his alcohol intake, mental health and diagnosis of COPD. U confirmed that, if they'd had the information they thought Mr N should have provided, they wouldn't have offered cover. And they classed this as deliberate misrepresentation, so they voided the policy and retained the premiums Mr and Mrs N had paid.

Mrs N complained to U. U didn't change their position. But they told Mrs N that LPL had confirmed they'd advised Mr N on his answers – so they said any remedy relating to its accuracy was LPL's responsibility.

Mrs N complained to LPL. LPL responded, saying they were satisfied that their adviser had accurately recorded Mr N's answers to the questions he'd asked. Mrs N wasn't satisfied with this response and instructed a claims management company to help her bring her complaint to our service.

Our investigator reviewed all the evidence and concluded LPL didn't need to do any more than they already had to resolve Mrs N's complaint. He was satisfied the adviser had accurately recorded Mr N's answers to the questions he'd asked.

In response Mrs N's representatives maintained that the adviser had revisited the questions Mr N had answered about his alcohol consumption because his original responses generated a decision to decline the application. And they said they believed Mr and Mrs N weren't given the best advice about buying the policy and that keeping their previous policies would have provided better cover at a lesser cost. The investigator considered this point and obtained further information from LPL, which led him to conclude LPL had acted fairly in this respect.

Mrs N didn't agree with the investigator's view. So I've now been asked to make a decision about all the complaints made.

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 that, I'm not upholding Mrs N's complaint. I know this will be upsetting and I'm sorry about that. I hope it will help if I explain the reasons for my decision.

I'll start by saying that I'm only looking at what LPL did here – not at U's actions. It was U's decision to decline the claim, on the basis Mr N had made various misrepresentations about his health. I can only say LPL need to do more to resolve the complaint if I'm satisfied they didn't accurately record Mr N's answers to the questionnaire – and their failure impacted on Mr N, because it led to U making a different underwriting decision.

We've received recordings of the relevant calls, which I've considered. And I've been provided with a copy of U's response to Mrs N's complaint, which shows U wouldn't have offered him a policy based on his mental health and alcohol history. So I'll focus on those two areas, though I note either one would have led to a decision to decline, had the questions been answered as U thought they should. I've not commented on the questions about COPD, as U confirmed they didn't base their decisions on those answers.

Alcohol

Mr N was asked for details of his weekly alcohol consumption. He was then asked:

"Have any of these applied to you?"

and was given the options:

"I've been advised by a medical professional to cut down or stop drinking alcohol, I've been referred for alcohol or drug specialist support such as Alcoholics or Narcotics Anonymous, I've used recreational drugs in the last 10 years, no?"

In response, Mr N told the adviser he attended Alcoholic Anonymous, having made what he described as a "lifestyle choice" to do so. The adviser initially selected *"I've been referred for alcohol or drug specialist support such as Alcoholics or Narcotics Anonymous"*. But he subsequently changed the answer to *"no"*. Mrs N's representatives say this doesn't accurately reflect Mr N's answers and that LPL didn't take proper care to provide accurate information to U about Mr N's alcohol intake.

I've considered this point very carefully. I accept that the adviser revisited how they recorded what Mr N told them. Mrs N's representative has suggested that this was because the initial answers led to cover being declined, and so the adviser was trying to find an answer that would enable them to make a sale. There's no evidence to indicate this was what drove the adviser to revisit the questions about alcohol.

But, even if it were, I don't think LPL did anything wrong here. Mr N clearly responded to the question that he'd made the choice to attend Alcoholics Anonymous, rather than it being suggested by anyone else. And he reiterated at the end of the call this had been a lifestyle choice. So I do think "no" is an accurate answer to the question about being referred to any form of support.

Mrs N's representatives have said Alcoholics Anonymous isn't operated on a referral basis, so Mr N couldn't have been referred by his doctor. I've considered this, but I think it's clear the focus of the question is to find out what advice Mr N received about his alcohol consumption. I heard on the call recording that selecting the answer about being referred for

support generated further questions, all of which referenced being given advice about alcohol.

However, Mr N clearly told the adviser he'd attended Alcoholics Anonymous without receiving any such advice. On that basis, I'm satisfied that "no" was an accurate answer to a question about having been referred for support and LPL did nothing wrong in providing that answer.

Mental health

Mr N declared he suffered from depression, which was controlled by medication and didn't have any impact on his day-to-day life. But he answered "no" to the question:

"Have you ever had any of these?"

Options - Multiple sclerosis, epilepsy, Parkinson's or any other disorder of the brain or nervous system, Any mental health issue that's required a hospital or psychiatric referral or have you attempted or thought about suicide or self harm, A positive test, or are you waiting on the results of a test for, HIV, AIDS or hepatitis B or C, No."

When U considered the claim, they noted information on Mr N's medical history which led them to say he should have answered this question differently – and which led to them declining the claim.

Again, I've relied on the call recording in which the adviser took Mr N through the questionnaire. He clearly answered "no" to this question – which was what the adviser recorded. So I'm satisfied LPL didn't do anything wrong here either.

Advice on sale

In response to the investigator's view, Mrs N's representatives raised an additional complaint, namely that LPL didn't give Mr and Mrs N the best advice about the policies they were sold.

Immediately prior to buying these policies, Mr and Mrs N had separate level term life policies providing £150,000 for each of them. Mrs N's representative says it would have been more cost effective, and provided better cover, for them to have retained those policies and bought an additional joint policy than to have replaced them with the policies sold by LPL.

LPL said payments for Mrs N's policies had already been cancelled by the time they spoke to her. But the alternatives she had sourced, when added to Mr N's policy, cost more than the cover they could source. And LPL noted Mrs N had only bought her own cover, whereas they felt joint cover was suitable for their joint mortgage.

As our investigator explained, our role is to decide whether the advice LPL gave was suitable for Mr and Mrs N. That doesn't necessarily mean they found the absolute best arrangement it was possible to buy.

Having listened to the call, I'm satisfied Mrs N was looking for the most competitive price and that LPL offered her cover which met her stated wishes to pay off the mortgage should she or Mr N die, and provide a lump sum to the survivor. The option of keeping the separate policies was discussed but Mrs N clearly indicated she wanted to proceed on the basis suggested by the adviser. I think that option was a suitable one for her and Mr N. So I don't think they need to do any more in relation to this. And that means I don't think they need to do any more to resolve Mrs N's complaint.

My final decision

For the reasons I've explained, I'm not upholding Mrs N's complaint about Lifesearch Partners Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 27 September 2023.

Helen Stacey
Ombudsman