

The complaint

Mrs T, on behalf of the Estate of Mr T, has complained about how People's Administration Services Limited, trading as B&CE ('B&CE'), handled her late husband's life assurance which she says caused her stress, anxiety, and uncertainty. She said that B&CE didn't question the lack of life assurance cover even though Mr T was an employee of the policy holder.

In my decision I will sometimes refer to 'the late Mr T' as 'Mr T'. I don't mean any discourtesy by this.

What happened

Mr T died on 4 February 2021. Mr T was employed at the time of his death but because of an error, Mr T wasn't covered by his employer's life cover when he died.

Mrs T experienced delays in getting the lack of cover issue resolved. Mrs T told us that when Mr T died, she had little or no income and was financially vulnerable during this time. She said she made financial decisions she wouldn't otherwise have made if she had been aware of the true position.

The issue about the life cover was later resolved and B&CE paid the life cover claim of £40,000 to Mrs T on 2 June 2021.

Mrs T wasn't happy with how her late husband's affairs had been dealt with and raised a complaint with B&CE in October 2021. B&CE responded to Mrs T on 12 November 2021. It said;

- Mr T's employee life cover was only active until August 2020 as the premiums had been missed after that. B&CE recognised an error had been made and in June 2021 it agreed to honour the life cover claim.
- Mrs T had wanted details of the correspondence between B&CE and Mr T's employer but was advised it couldn't provide this for data protection reasons.
- B&CE didn't uphold the complaint as it had done everything it could to assist Mrs T with the concerns she raised.

B&CE also carried out a further internal review about what had happened and provided a response to Mrs T's queries on 27 May 2022. It offered Mrs T £100 in recognition of the poor customer service she had received.

B&CE wrote to Mrs T again on 9 August 2022 but concluded that it didn't uphold her complaint and it had honoured the claim. But it accepted Mrs T had received poor customer service and offered a payment of £250 because of this.

Mrs T wasn't satisfied with the outcome and brought her complaint to the Financial Ombudsman. She said she was unhappy that B&CE didn't question the non-payment of premiums for Mr T's life policy, how it had handled the estate's affairs, including the claim on

the life policy, and that it wouldn't provide copies of correspondence between it and Mr T's employer.

Our investigator who considered the complaint didn't think B&CE needed to do anything more. He said;

- B&CE weren't obliged to notify Mr T that the premiums for the life policy had lapsed. That relationship was with Mr T's employer – as the policy holder – and the insurer – B&CE. This had been explained to Mrs T in B&CE's responses to her complaint.
- Mrs T had been told by B&CE on 15 March 2021 that it wasn't aware of any claims but because of the pandemic, turnaround times had been extended. A life policy claim wasn't discussed, and Mrs T was referred to Mr T's employer as it was the policyholder.
- He accepted that it was frustrating for Mrs T not being told the life policy wasn't active until 22 April 2021 and he took account of this when assessing whether the offer being made was fair.
- Mr T's employer communicated with B&CE on 10 May and by 20 May Mr T's employer acknowledged there had been an error and asked that B&CE pay the claim which it did two weeks later.
- He wouldn't have expected B&CE to pay out when a policy was inactive so he couldn't say the benefit should have been paid at that point as B&CE wasn't aware of the error until 20 May when Mr T's employer made this clear. The claim was paid two weeks later.
- The rules of this service meant that we could only award a distress and inconvenience payment to the estate, not to its representative, and the investigator didn't recommend an award for financial loss as the claim was paid within a reasonable time.
- B&CE had acknowledged it could have provided clearer information to Mrs T and that she had been frustrated by the multiple times she had had to make contact, but he thought the current offer of £350 was fair.

Mrs T wasn't happy with the outcome and said that her complaint had been misunderstood. She asked for copies of some correspondence between B&CE and Mr T's employer.

The investigator made Mrs T aware of the terms and conditions that applied to the life cover which confirmed for a death in service benefit to be paid the relevant contributions would have had to have been paid. Claims would not be settled unless contributions were up to date.

Mrs T asked that her complaint be considered by an ombudsman, so it has been passed to me.

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.

After doing so, I've reached the same outcome as the investigator and broadly for the same reasons. I appreciate that Mrs T will be disappointed in my decision, but I'll explain how I've reached.

I'd also like to explain that we are an informal dispute resolution service set up as a free (to consumers) alternative to the courts. In deciding this complaint, I have focused on what I consider to be the central issues that are relevant to the outcome of the complaint, rather than commenting on every issue in turn. This isn't intended as a discourtesy, rather it reflects the informal nature of our service and my remit.

And I should make clear that I will only be considering the actions of B&CE regarding the life claim in my decision. I won't be looking at any actions of Mr T's employer or any of the other benefits the late Mr T was due from B&CE. My decision is limited to the actions of B&CE in relation to the life cover complaint.

I've outlined a timeline of events that occurred after the death of Mr T on 4 February 2021;

- 25.02.21 – B&CE received notification of the death of Mr T.
- 15.03.21 – Mrs T called B&CE about Mr T's pension, but this is the first time it was made aware of Mr T's death and records it. It became clear later that because of delays caused by the pandemic B&CE's administration team hadn't been able to action the notification of Mr T's death before Mrs T's call.
- 16.03.21 – A claim form was sent to Mrs T for completion.
- 22.03.21 – Mrs T called B&CE as she had just received the form and sought guidance about its completion. Mrs T returned the form, and it was received the following day.
- 08.04.21 – Mrs T called B&CE to ask about the benefits she would receive, and she was informed about the pension but was advised that for any life cover questions she should speak with Mr T's employer.
- 19.04.21 – Mrs T called B&CE, but it couldn't confirm final amounts due to her as the (pension) claim was still being processed. It's clear that Mrs T was unsure what she was claiming for from B&CE.
- 22.04.21 – Mrs T called B&CE for an update. She was told there was a backlog, but her case was marked as urgent. Mrs T says she would chase somewhere else if the workplace insurance wasn't with B&CE and was advised that if it was an employee-based scheme, she should contact Mr T's employer. Mrs T says she was waiting to hear from them.
- 22.04.21 – B&CE wrote to Mrs T asking about any dependents of Mr T and confirmed that no employee life cover benefits were payable.
- 27.04.21 – B&CE received confirmation from Mrs T that there were no dependents.
- 06.05.21 – Mrs T called B&CE for an update and was advised of the delays.
- 10.05.21 – Mr T's employer emailed B&CE to say Mrs T had been in touch, but she hadn't received any correspondence.
- 18.05.21 – Mrs T called B&CE. The agent confirmed that Mr T wasn't covered by any employer life insurance when he died. Mrs T was informed that it would investigate this as the premiums hadn't been paid since August 2020 and the agent thought this was incorrect. Mrs T was also advised service levels had been extended to 18 working days because of a backlog caused by staff disruption during the pandemic.
- 18.05.21 – Mr T's employer emailed B&CE to find out if the claim had been progressed and the relevant form had been sent to the family.
- 18.05.21 – B&CE responded to Mr T's employer to say that Mrs T had been in touch and thought there would be life cover for her late husband. But B&CE's records

showed that premiums for the life cover had stopped in August 2020.

- 19.05.21 – B&CE called to Mrs T to confirm it was waiting to hear back from Mr T's employer.
- 20.05.21 – Mr T's employer emailed B&CE to explain that in error the premiums hadn't been paid since August 2020 and asked for the life claim be paid.
- 24.05.21 – B&CE called Mrs T to update her and advised that its Governance Panel would be making the decision about payment of the claim.
- 28.05.21 – A call took place between B&CE and Mrs T.
- 02.06.21 – B&CE's Governance Panel met, accepted an error was made by Mr T's employer but agreed to pay the claim in any event.

The above makes clear that the first B&CE was made aware of the potential of a life claim was when it realised that premiums hadn't been paid since August 2020 when it looked at the issue again on 18 May. And it was subsequently contacted by Mr T's employer on Thursday 20 May 2021 which clarified the error. It contacted Mrs T on the following Monday to advise her that it's Governance Panel would be meeting to decide on the claim. That meeting took place the following week and the claim was agreed. Payment of the claim was made to Mrs T on that day.

So, while I appreciate that Mrs T did have to make contact with B&CE many times about her claims – which also included the pension – but I note she was advised on 8 April that she should contact Mr T's employer about any life claim. While this must have been frustrating for Mrs T, but at that time B&CE wasn't aware of the error that had been caused by Mr T's employer so couldn't have known of any potential claim Mrs T could have made for life cover.

Mrs T has said that if B&CE had made Mr T's employer aware of a rejected life claim at an earlier date, then this would have raised an enquiry which would have cleared the matter up sooner. But this wasn't a straightforward claim that was rejected. There wasn't any cover in place for a claim to be made against. The claim itself wasn't actually made until Mrs T had approached her late husband's employer in May 2021 about a life claim and it was at that point Mr T's employer established that an error had been made and requested that the claim be paid by B&CE.

Mrs T has referred to the phone conversation she had with B&CE on 22 March 2021. During the call she was advised by B&CE to complete and return the form Mrs T had just received and that for the employer section it would send that onto Mr T's employer for completion. Mrs T has said this was never done.

But that form related to Mr T's pension as referred to during the phone conversation held on 15 February when it was confirmed with Mrs T that B&CE would be sending out the form for Mrs T to claim on the pension. It didn't relate to any life assurance cover or claim.

And Mrs T has also referred to other correspondence and sent me copies including messages. But prior to the confirmed from Mr T's employer on 20 May 2021 B&CE wouldn't have known that an error had been made when the premiums weren't paid from August 2020. So, while I'm aware there was correspondence and contact between B&CE and Mr T's employer after Mr T's death that would have only been treated in relation to the pension as no-one was aware of the error in the premiums not being paid.

Clearly this was an unfortunate series of events and Mrs T wasn't clear what she was claiming for, but B&CE didn't have the information any earlier than 18 May that might have made it clearer there was a life cover issue and that the premiums had lapsed. It would have

been helpful if B&CE had noticed this potential error sooner but according to B&CE's records no life cover was in place for Mr T at the time of his death – so it couldn't have given Mrs T any guidance about that – but that wasn't B&CE's error. However, I'm satisfied that B&CE acted as it should have done by directing Mrs T to Mr T's employer as soon as Mrs T sought information about that.

It wasn't for B&CE to make Mr T's employer aware that the premiums had stopped being paid in August 2020. That's not its role. Employees can change all the time and it wasn't for B&CE to challenge Mr T's employer about that non-payment or know that an error had been made when the premium wasn't paid from August 2020 onwards. So, I don't find B&CE responsible for this, so it doesn't have a case to answer or look to put anything right. I don't uphold this complaint point.

Mrs T has said the incorrect employer's name (Mr T's employer was splitting the divisions of its business) was referred to on the claim form and says that should have been questioned by B&CE. But I can't find any evidence to suggest that even if an error had been made about the employer's name – and I don't make any finding on that – it would have had any impact on the situation or that the error would have been discovered any sooner.

Mrs T has complained that B&CE won't provide her with all of the correspondence it had with Mr T's employer because of data protection reasons. I know the investigator provided Mrs T with additional copies of correspondence, but I am not in the position to ask B&CE to provide any further correspondence that Mrs T considers she hasn't had access to if B&CE concluded it can't do so for data protection reasons. But with regard to the complaint itself, I'd like to reassure Mrs T that I am satisfied I have sufficient information – including copies of correspondence – in order for to make a fair and reasonable decision about the complaint as it has been presented to me.

This service can't make awards for any distress and inconvenience that has been caused when a complaint is brought by the executor of an estate – as in this case – as Mrs T doesn't have the required relationship with B&CE. However, B&CE has said that while Mrs T's claim didn't take an excessive amount of time and it didn't uphold that element of her complaint, it did accept there were service failings and has offered Mrs T a total of £350 because of that which doesn't seem unreasonable. So, it is now for Mrs T to decide whether to accept that offer.

Overall, I don't uphold Mrs T's complaint. It's clear from the file, and I fully appreciate, that Mrs T has been through a really difficult time. Her husband had very recently died, and she was having to deal with her late husband's estate during which time she was financially vulnerable. And it's also clear Mrs T was very frustrated in having to verify any employee life cover her late husband may have had.

I'd like to express my sympathy for Mrs T and I'm very sorry to hear of the position she was in at such a difficult time for her. And I'd like to assure Mrs T that I have fully reviewed the file and all of her submissions – even if I haven't commented on everything – and am satisfied she has been treated fairly.

For the reasons given, I don't find that B&CE was unfair or unreasonable in its dealings with Mrs T. And I also note that B&CE's decision to pay out on the policy – for which premiums hadn't been paid – was done because it was 'correct and ethical' even though it wasn't under any obligation to do so.

Mrs T now needs to decide whether she accepts the offer of £350 that has already been made by B&CE.

My final decision

For the reasons given above, I don't uphold Mrs T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr T to accept or reject my decision before 1 December 2023.

Catherine Langley
Ombudsman