

The complaint

Mrs B has complained about a 'YourLife Plan – Term Assurance' policy she held with AIG Life Limited ('AIG'). It should have been in joint names with her husband but upon his death, she discovered that Mr B wasn't covered.

In my decision I will be referring to the late Mr B as 'Mr B'. I don't mean any discourtesy or disrespect by this.

What happened

Mrs B took the life policy in her sole name with AIG in September 2020. The sum assured was £180,000 costing a monthly premium of £30.46 with a cover term of 20 years.

In 2022 Mrs B contacted AIG as she wanted to add her husband – Mr B – to the life assurance policy. Sadly, Mr B died on 3 May and when Mrs B tried to claim on the policy, she was told that her husband wasn't covered.

Mrs B wasn't happy and brought her complaint to this service. Amongst other points, Mrs B told us she had asked for her husband to be added to the policy in January 2022. She was told the addition would be done and she had left it with AIG to do. She also said she was not told about the lengthy process needed to add another name to the policy.

Mrs B said the delay and confusion caused by AIG mistakenly sending her a trust form further complicated the issue in her husband not being added to the policy sooner, so she should not be denied the claim because of AIG's errors.

Our investigator who considered the complaint didn't think it should be upheld. He said;

- There was no evidence Mrs B had called AIG before 19 April 2022 about adding anyone to the policy. Mrs B had called on 31 March but that only related to the policy documents being sent to her. And AIG had received an amendment form on 9 April to update her details but there was nothing to suggest AIG had received a request to add Mr B to the policy.
- On 19 April Mrs B called to add her husband to the policy. Mrs B was asked to email her husband's details and was told it would take two working days for a quote to be provided. Mrs B emailed on the same day with the information requested.
- Mr B's date of birth was missing from Mrs B's email and AIG replied on 26 April to ask for that information. Mrs B replied on 29 April and AIG sent the quote on 13 May, but Mr B had died on 3 May.
- AIG told us the quote hadn't been sent within the usual timescale but even if it had been AIG said the policy wouldn't have been set up in time as further steps were needed. If the quote had been accepted by Mr B AIG would have needed to speak with him to complete a full questionnaire which would need to be reviewed by AIG's underwriting team.
- Despite the delays, the investigator didn't think it was likely Mr B would have been

added to the policy before 3 May because of the additional steps needed once a quote was agreed. As a result, he wasn't going to ask AIG to do anything further.

Mrs B didn't agree with the outcome. She referred to her dealings with her financial adviser, that AIG didn't tell her it would take so long to add a joint policyholder and reiterated that she had contacted AIG in January about the addition to the policy. But Mrs B's comments didn't change the investigator's opinion.

Mrs B asked that her complaint be referred to an ombudsman, so it has been 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.

After doing so I have reached the same conclusion as the investigator and broadly for the same reasons. I'll explain why.

Mrs B has said she called AIG in January 2022 about adding Mr B to the policy. AIG has said the first time Mrs B made contact about this was on 19 April. And after listening to the call recordings provided by AIG, I think that is most likely what happened.

I say this because it's clear from those calls, with the exception of the call of 31 March when Mrs B asked for her policy documents to be sent to her, that AIG had no record of any earlier calls and nothing from January 2022. As a regulated business I would expect AIG to provide us with all of its calls and records relating to this complaint and after reviewing everything AIG has given us, there's nothing to indicate Mrs B called any earlier than April to add her husband to the policy.

I note that Mrs B has referred to her financial adviser in bringing her complaint and who is also referred to during the calls she had with AIG. During the calls with AIG Mrs B was advised to contact her financial adviser about her recollections of earlier contact about the policy. It thought Mrs B was referring to contact she had had with her financial adviser rather than AIG. And from the names and dates Mrs B referred to during the calls I think it's likely Mrs B was referring to contact she had had with her financial adviser rather than AIG.

Bearing in mind that AIG has said that all of its telephone calls are recorded and that any outgoing calls made by AIG – as referred to by Mrs B during one of the calls – would be noted on file, I think it is unlikely that the earlier contact Mrs B has referred to was with AIG. Mrs B may wish to contact her financial adviser about any conversations she had about adding her husband to the policy.

What is clear from the telephone recordings is that Mrs B called AIG on 19 April asking about adding her husband to the policy. She was advised to send an email with his full name, date of birth, smoking status, occupation and contact details. I have a copy of Mrs B's email sent to AIG on the same day with the comment 'I understand that it may take up to two days to update the enclosed.'

This comment was a reflection of the information Mrs B was given during the call of 19 April. She was told it would take around four hours to add the request to Mrs B's file and the 'customer alternations team' would provide a quote within two working days.

However, it's evident from the email Mrs B sent on 19 April that she didn't include her husband's date of birth as she should have done. AIG emailed her on 26 April to ask for that information. Mrs B provided AIG with Mr B's date of birth on 29 April.

Clearly AIG responded to Mrs B's email which she sent on 19 April outside of its usual timescales of two working days for a quote. I can't know the reason for that delay – and AIG does acknowledge there was a delay – but it may have been because of the lack of information about Mr B's date of birth, it not being able to proceed with providing a quote and it having to refer back to Mrs B. The lack of full details for Mr B required additional administration and that was outside of its usual turnaround time as ideally AIG should have got back to Mrs B within two working days.

I have considered this slight delay in my overall review of the complaint and the impact that had on the timing of potentially adding Mr B to the policy.

Sadly, Mr B died on 3 May and Mrs B was told she wasn't able to claim on the policy as he wasn't covered. Mrs B says her husband should have been added to the policy by that time but having reviewed the correspondence and dates involved I think it would have been unlikely it would have been possible for AIG to have added Mr B to the policy prior to his death.

I say this because, being unaware of Mr B's death on 3 May, I can see that AIG wrote to Mrs B on 13 May in response to her request to add her husband to her life assurance policy. In that correspondence it said;

'This quote has been generated as if there were standard terms applied, therefore, it should be noted, that the final premium and start date cannot be verified until [Mr B] has been underwritten. This is because the actual premium can only be determined once the full application has been assessed and terms offered.

If you want to go ahead with the alteration, please can you contact our Customer Services team on [phone number provided]. We will arrange a time with [Mr B] to go through the application questions which they will need to answer in order to be underwritten.'

I think it's clear from the above that if the quote was accepted by Mr B, AIG would have to arrange for a time to speak with him and go through the application questions. Those application questions would then have to be considered by its underwriting team before it could reach a decision as to whether Mr B could be added to the policy and the cost of that. Inevitably this necessary additional layer of contact and verification would have caused a delay in Mr B being added to the policy.

I've considered the impact this would have had on Mr B being added to the policy. If AIG had responded to Mrs B's initial email request of 19 April within its usual timescale of two business days – 21 April – and taking account of Mrs B's turnaround time for the date of birth request of three days – 24 April (a Sunday) – then two business days after that would be 27 April and the earliest time the initial quote could have been provided.

But even if a call was arranged shortly after the quote was received by Mr and Mrs B on 27 April for Mr B to complete the application questions – say 28 April – I think, on the balance of probabilities, it would have been very unlikely that the underwriting team would have assessed the responses to those questions and agreed terms and then added Mr B to the policy prior to his death which was just three business days later.

Overall, after taking account of AIG acting outside of its usual timescales, I'm of the opinion that it would have been unlikely for Mr B to have been made joint policyholder to the life policy prior to his death. So, it follows that he wasn't covered by the policy when he died and therefore AIG wouldn't be in the position of having to assess the claim. While I accept there were some minor delays, over and above that, I don't think AIG has done anything wrong and I don't think it needs to do anything more and assess the claim. Mr B wasn't covered by the policy when he died.

And for the reasons already stated, I haven't sufficient evidence to suggest that Mrs B contacted AIG any earlier than 19 April to add Mr B to the policy.

Mrs B has referred to confusion and delay being in Mr B being added to the policy which she says was caused by her being sent trust documents for the policy in error. But I understand that those documents were sent to Mrs B by her financial adviser and not AIG. So, I can't agree that AIG is responsible for any confusion caused about this point.

No doubt Mrs B will be disappointed with my decision. It's clear from the file that Mrs B has been through a really difficult time. Her husband had very recently died, and she was having to deal with his affairs. I'd like to express my sympathy for Mrs B and I'm very sorry to hear of the position she was in at such a difficult time for her.

Taking all of the above into account, overall, I don't uphold Mrs B's complaint because, for the reasons given, I don't find on the balance of probabilities, that Mr B could have been added to the policy prior to his death if AIG had acted any more quickly than it did. And I've seen nothing to suggest that Mrs B tried to add Mr B to the policy earlier than 19 April and that it was AIG that didn't act on that or delayed that request.

My final decision

My final decision is that I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 24 November 2023.

Catherine Langley
Ombudsman