

The complaint

Mr G and Mrs H have complained that Legal and General Assurance Society Limited (L&G) incorrectly set up their decreasing term life assurance policy to include a benefit they didn't request.

What happened

Mr G and Mrs H took out life assurance through their bank in 2006. They took out waiver of premium benefit at the same time. Mr G complained on behalf of himself and Mrs H that they didn't want this benefit (he thought it was payment protection insurance) and would like it removed and the premium refunded. When L&G didn't uphold the complaint, Mr G referred it here.

Our investigator didn't conclude that L&G had done anything wrong. Mr G appealed. As no agreement has been reached the matter has been passed to me to determine.

I apologise for the time taken to reach this final stage of our process.

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.

- L&G didn't sell the policy to Mr G and Mrs H, they took it out through their bank and the sale was non-advised. But the regulations in force did require L&G to give them information that was clear, fair and not misleading in order to put them in a position where they could make an informed choice about the policies they were buying.
- I've looked carefully at the documentation that Mr G and Mrs H were sent to see if the policy and benefits that they were purchasing were made clear. I appreciate that Mr G has said he wanted a simple life insurance paying the minimum premium available and nothing more. But I find the documents they were sent do clearly show what waiver of premium benefit is, and that it had been selected by Mr G and Mrs H.
- Mr G says he wasn't aware what the cost of the waiver of premium benefit was until October 2022. He says he didn't receive any correspondence or an itemised cost of premium and if he had he wouldn't have agreed to it. However, I've seen the quotation prepared for Mr G and Mrs H. It does state that the monthly premium includes the cost of waiver benefit of £1.11.
- L&G also sent Mr G and Mrs H a Confirmation of Information Declaration form setting out what had been applied for. This included, under Additional benefits - *Terminal illness cover at no extra charge - Waiver of Premium (Both Applicants)*. I'm satisfied that Mr G and Mrs H received this as Mr G made some amendments, signed and returned the form. L&G wrote to Mr G in response advising that the amendments had been made and to keep the endorsement with his policy documents as evidence of the amendment.

- I recognise that Mrs G and Mrs H will be disappointed by my decision, and I'm sorry it doesn't bring them more welcome news. But in all the circumstances I don't find that L&G did anything wrong. It has provided a benefit that was applied for. I also don't find that there was any trickery or dishonesty on its part. This being so there is no basis for me to require L&G to refund the premiums paid for the waiver benefit.

My final decision

For the reasons given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs H to accept or reject my decision before 17 January 2024.

Lindsey Woloski
Ombudsman