



Distribution Redefined

What consumers expect when life insurance is offered by banks and building societies: choice, trust and better outcomes in protection distribution.



Executive summary

When consumers seek life insurance through banks, building societies, and other trusted financial brands, they expect **choice, fairness, and access** to the right cover for their circumstances.

LifeSearch research shows that single-insurer arrangements are increasingly out of step with those expectations and that mismatch has real consequences for trust, engagement and whether people buy cover at all.

Nearly two-thirds of consumers (62%) say it is important to access products from multiple insurers, rather than just one, when buying life insurance through a bank, building society, or high-street retailer. Yet only 10% expect their bank to offer products from a single insurer alone.

This gap between expectation and delivery has clear consequences. 42% of consumers say they would trust their provider less if they discovered it only offered life insurance from one insurer.

Consumers are also 3.5 times more likely to walk away from a purchase than proceed if they learn their bank or building society is tied to a single insurer.

The findings underline a simple but important point: in life insurance distribution, choice is not optional. It is central to trust, whether consumers proceed or disengage altogether, and in achieving better consumer outcomes across the industry.

This report draws on research conducted by Opinion on behalf of LifeSearch with 2,000 UK consumers.

Ed Axon, *Chief Growth Officer, LifeSearch*



Headline findings

Consumer expectations

62%

of consumers consider it important to access products from **multiple insurers** when seeking life insurance from banks, building societies, or high-street retailers.

Only 10%

expect their bank to offer products from just **one insurer**.

Trust and confidence

42%

would be **less trusting** of their bank, building society, or retailer if they discovered it only offered life insurance products from one insurer.

16%

said they would be **much less trusting**.

Behaviour and outcomes

3.5x

more likely to walk away:

consumers react negatively to single-tie life insurance arrangements.

69%

want fair prices underpinned by comprehensive market comparison.

9 in 10

consumers do not expect to be limited to a single provider.



The trust gap is real – more consumers would walk away than proceed if they discovered a single-tie arrangement.

Why life insurance distribution matters now

Life insurance is often the first protection product consumers consider, particularly when buying a home, starting a family, or taking on new financial responsibilities. How that cover is offered – who provides it, how much choice is available, and what support is given – plays a major role in whether people engage with the process, trust the provider, and ultimately take out cover.

That makes distribution – the way life insurance is offered – just as important as the product itself.

With the FCA's Consumer Duty and Protection Market Study sharpening the focus on customer outcomes and foreseeable harm, firms need to examine whether their distribution models genuinely support consumer needs and expectations.

LifeSearch's strategic partnerships with organisations including Skipton Building Society, Yorkshire Building Society, Which?, and Lloyds Banking Group reflect a broader ambition to champion broker models that help consumers access unbiased advice and better-value protection solutions.

Key takeaway

Research shows consumers have clear expectations around choice. When those expectations are not met, the impact is not limited to dissatisfaction. It extends to lost trust, reduced engagement, and abandoned purchases.



Our research reinforces what we're seeing across the industry – consumers want genuine choice and access to the wider life insurance market. When those expectations aren't met, trust falls and engagement drops. This should prompt firms to reflect seriously on whether their current distribution models are still aligned with what customers value and what good outcomes now require."

Debbie Kennedy, Chief Executive Officer, LifeSearch

What consumers expect when buying life insurance

The protection gap will not be closed through product design alone. For many people, life insurance is their first interaction with protection, often triggered by key life moments such as buying a home, starting a family or taking on long term financial commitments. This requires smarter distribution, stronger prompts into protection, and the right combination of digital convenience and human support.

Consumers are clear about what they value when life insurance is offered through a trusted brand:

62% want access to products from several insurers

69% want fair outcomes backed by market comparison

66% want cover that suits their health or family circumstances

56% do not want a one-size-fits-all approach

Key takeaway

Our findings show that consumers are not asking for unnecessary complexity. They are asking for access to the right cover for their situation, delivered in a way that feels fair, relevant, and trustworthy.



Trust, confidence and disengagement

Restricted life insurance choice does not just limit product access. It also damages trust. The research highlights a clear trust penalty when consumers discover that a bank, building society, or retailer is tied to a single life insurer. More than four in ten consumers say they would trust that provider less if only one insurer's products were available.

That loss of trust has direct commercial consequences. Consumers are 3.5 times more likely to walk away than proceed when they discover a single-tie arrangement. Four in ten say they would be less likely to buy, including 16% who say they would be much less likely.



Trust and choice sit at the heart of our relationship with members. The research clearly shows that consumers expect access to the wider market when they're making important decisions about protection.

Partnering with LifeSearch has enabled us to give members access to broader choice and specialist protection expertise, while remaining focused on their best outcomes. Importantly, we do not take any commission from LifeSearch, instead, we pass that saving directly back to members who take out protection policies, ensuring they receive genuine value as well as expert support.

The impact has been striking – in the first year of the partnership we are protecting more members than before, and around 90% of Yorkshire Building Society customers now receive a viable protection quote when arranging their mortgage, up from around 60% previously. That improvement directly supports our commitment to helping members protect what matters most."

Tina Hughes, Director of Savings, Yorkshire Building Society

42%

A donut chart with an orange segment representing 42% of the total. The rest of the chart is light blue.

would trust providers less if only one insurer's products was offered

Yorkshire Building Society quote viability up from

A donut chart with an orange segment representing the range from 60% to 90%. The rest of the chart is light orange.

60% to 90%

Key takeaway

For many consumers, walking away does not mean going elsewhere to buy immediately. It often means delaying or abandoning protection altogether, which can leave households financially exposed. Single-tie arrangements do not simply reduce choice, they can actively discourage purchase.

Access, inclusion and the protection gap

Access plays a defining role in who gets protected – and who does not. Life insurance is often positioned as simple and straightforward. But for many consumers, particularly those with health conditions, complex employment, or non-standard circumstances, restricted access can become a barrier to suitable cover. Key findings reinforce that point:

1 in 4

lives insured are non-standard or impaired

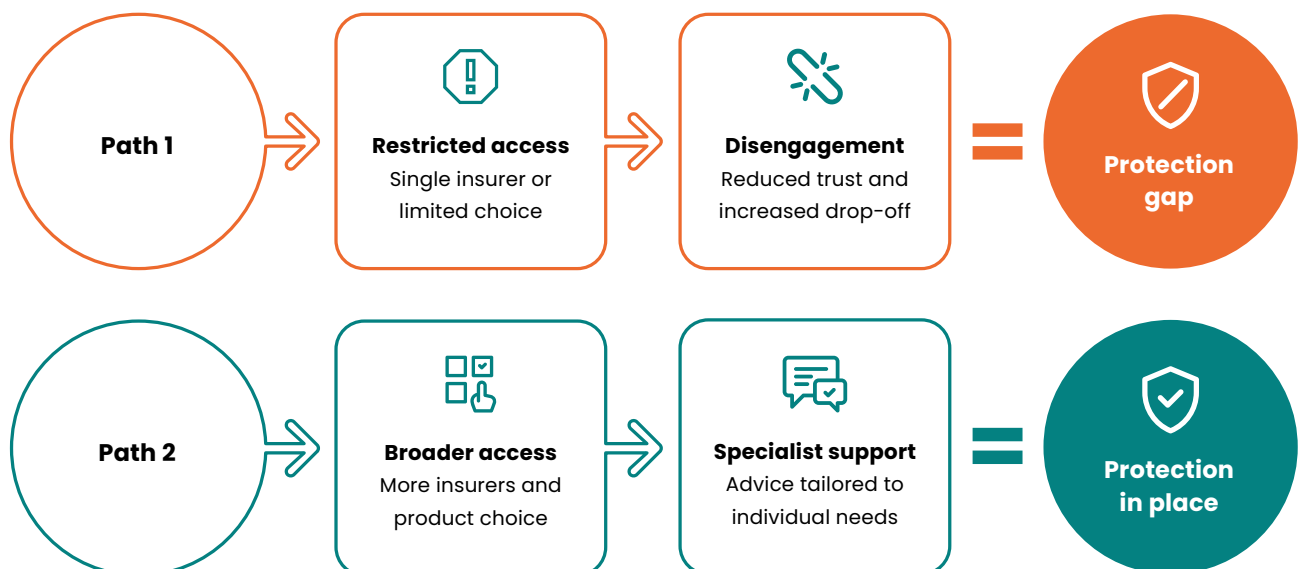
58%

value specialist support that reflects their personal situation

66%

want recommendations tailored to their needs

These are everyday circumstances for millions of people across the UK. Health conditions, variable income, self employment and later life buying patterns are increasingly common, making access and suitability mainstream issues rather than edge cases.



Key takeaway

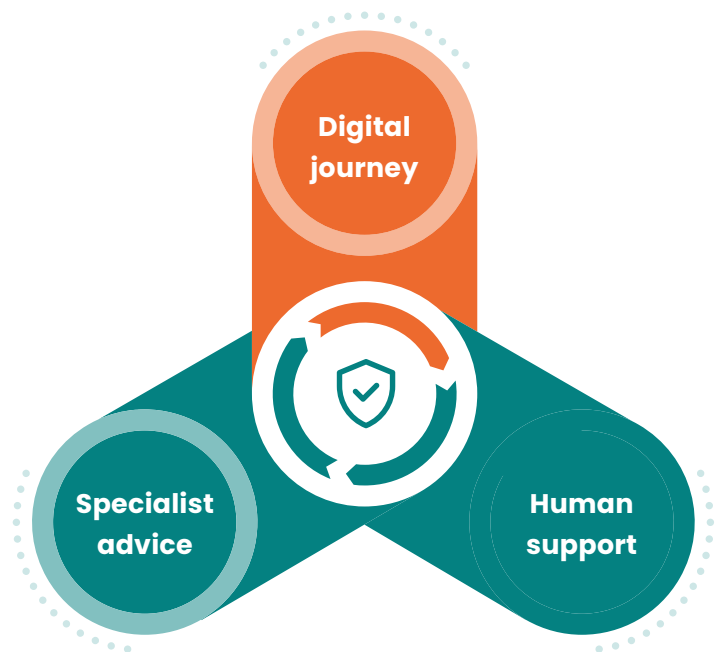
The protection gap is not just about affordability. It is also about whether consumers can access the right support, appropriate underwriting, and suitable cover options for their circumstances. Taken together, these findings point to a clear pattern: when expectations aren't met and access is limited, trust falls, engagement drops, and more customers remain unprotected.

What good looks like now

Modern life insurance journeys need to be flexible. They should not assume every consumer wants the same experience or level of support. Effective life insurance distribution recognises that consumers' needs vary. Not everyone needs full advice at the outset, but many benefit from reassurance, prompts or specialist input as their circumstances become clearer.

The most effective journeys combine digital convenience with timely human support and access to the wider market. In practice, this often means closer collaboration between distributors, insurers and partners to make sure more customers can find a suitable route to cover.

This approach supports both engagement and outcomes. It helps reduce friction for straight-forward cases while ensuring that consumers with more complex needs are not left behind.



Key takeaway

Our partnerships with organisations such as Skipton Building Society and Yorkshire Building Society demonstrate how broader access can improve engagement and support better consumer outcomes.



Partnering with LifeSearch is an important step in giving our members more choice, better value and the confidence that they're getting the right protection for their circumstances. Moving to a broker model means our members can access expert, unbiased advice and a wider range of products from across the market – all while receiving the same trusted service they expect from Skipton."

Alex Sitaras, Head of Savings and Partnerships, Skipton Building Society

Conclusion

The evidence points to a simple conclusion: consumers **expect choice** when buying life insurance through trusted financial brands, and they see that choice as closely linked to fairness, trust, and better outcomes.

Single-tie arrangements risk doing the opposite. They can reduce confidence, weaken trust, and increase the likelihood that consumers walk away from protection altogether.

For firms seeking to meet evolving consumer expectations and regulatory standards, the question is no longer whether distribution matters, but whether their current approach genuinely supports trust, access and better outcomes.



Broker-style models, built around wider market access and customer-first support, are better aligned with what today's consumers want – and what good protection distribution should look like.



About LifeSearch

LifeSearch is a leading provider of tailored life insurance solutions, driven by a clear purpose: **to protect people properly.**

With more than 25 years of experience, LifeSearch partners with reputable financial institutions and consumer champions to deliver accessible, affordable, and relevant protection across the UK.

Dedicated to helping people achieve financial security, LifeSearch provides the right protection when it matters most, regardless of life stage or circumstance. The business has helped more than one million individuals, families, and businesses secure over 1.9 million policies, and its commitment to exceptional service is reflected in an Excellent Trustpilot rating.

For more information, visit: partners.lifesearch.com
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Research notes

- LifeSearch consumer research was carried out by Opinium Research from 9th–13th January 2026 among 2,000 UK adults.
- In this study, life insurance is used as the starting point for a wider group of protection products, including critical illness and income protection.