

The complaint

Mrs E complains because Scottish Friendly Assurance Society Limited ('Scottish Friendly') declined her critical illness insurance claim.

What happened

Mrs E holds a life and critical illness insurance policy, underwritten by Scottish Friendly.

Mrs E made a claim for deafness under the critical illness section of her policy. Scottish Friendly said the claim wasn't covered because Mrs E didn't meet the policy criteria for a benefit to be paid.

Unhappy, Mrs E complained to Scottish Friendly before bringing the matter to the attention of our service.

One of our investigators looked into what had happened and said she didn't think Scottish Friendly had acted unfairly or unreasonably by declining Mrs E's claim. Mrs E didn't agree with our investigator's opinion so the complaint has been referred to me as the final stage in 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.

Industry rules set out by the regulator say that insurers must handle claims fairly and shouldn't unreasonably reject a claim. Further industry rules require insurers to provide consumers with the information they need, at the right time and presented in a way they can understand. I've taken these rules into account when making my final decision about Mrs E's complaint.

When reaching this final decision, I've also had regard to the relevant Association of British Insurers' 'Guide to Minimum Standards for Critical Illness Cover' and 'Statement of Best Practice for Critical Illness Cover'.

The terms and conditions of Mrs E's policy provide for the payment of a critical illness benefit for deafness, amongst other things. 'Deafness' is defined as:

'Permanent and irreversible loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.'

I don't agree with Mrs E's submissions that this definition is ambiguous, lacking in clarity or open to interpretation in the way she is suggesting.

I've considered the phrase 'better ear' and what I think is the ordinary, everyday meaning of the phrase as well as the context in which the phrase is used within the contract between Mrs E and Scottish Friendly. Having done so, I'm satisfied that the reasonable interpretation of the phrase is to mean the ear which has the better level of hearing.

I don't think the lack of a definition of the phrase 'better ear' or the lack of reference to individual ears within the policy means that the terms and conditions are unclear.

Furthermore, I don't agree with Mrs E's argument that the phrase 'across all frequencies' implies it would be reasonable to interpret the greater than 95 decibels level of hearing loss required as applying across both ears.

In order for Mrs E to demonstrate that she has a valid claim under her policy, she needs to provide medical evidence to show that she has a hearing loss of '*...greater than 95 decibels across all frequencies in the better ear [my emphasis added]*'. So, Mrs E needs to demonstrate that she has hearing loss at that level in the ear which has the better level of hearing. Mrs E hasn't done this, as the medical evidence she has provided says she has '*normal hearing ... with average hearing thresholds of 10 decibels*' in her ear with the better level of hearing.

I don't doubt that Mrs E has total hearing loss in her other ear - this is supported by the available medical evidence – or that Mrs E's other ear may in the past have been considered to be her 'better ear'. But I don't think the manner in which Mrs E is seeking to interpret or deconstruct the policy wording is fair or reasonable in the circumstances and there's no medical evidence that Mrs E's condition meets the policy criteria for a critical illness benefit to be paid to her.

This means I don't think Mrs E's claim is covered under the terms and conditions of her policy, and I don't think Scottish Friendly has acted unfairly or unreasonably by declining her claim. So, I won't be directing Scottish Friendly to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 5 June 2024.

Leah Nagle
Ombudsman