

The complaint

Miss L complains that Monument Life Insurance Dac has suspended payment of her open plan protect insurance claim.

What happened

Miss L holds an open plan protect policy with Monument. This pays benefit in the event of accident or sickness, or unemployment.

Miss L made a claim for unemployment benefit. This was accepted and Monument paid benefit between 26 December 2019 and 5 April 2021. Miss L then temporarily returned to work, but became unemployed again. Monument paid benefit from 1 August 2022 to 9 June 2023 (this was treated as a continuation of the first claim). Payment of the claim then stopped as the maximum benefit duration had been reached.

Miss L then made a further claim on 13 June 2023, this time under the accident and sickness benefit. Initially, Monument said it had accepted the claim, but a few days later, it asked Miss L for her bank statements. It explained this was to check that she wasn't working and receiving an income. Miss L provided her current account statements, but Monument also wanted to see her savings account statements (to verify payments transferred to her current account). Miss L refused to provide this information, and so Monument suspended the claim until the information was provided. Unhappy with this, Miss L brought a complaint to the Financial Ombudsman Service.

Our investigator didn't recommend the complaint be upheld. She thought the information Monument had requested had been reasonable.

Miss L didn't accept our investigator's findings, and so the matter has been passed to me for a decision.

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.

Monument initially told Miss L it had accepted the claim on 14 July 2023. However, a few days later, it decided it wanted financial information from Miss L. This wasn't ideal, though given the short timeframe between the date Monument said the claim was payable and the date it asked for more information, I don't think Miss L was particularly affected by this. I also note the policy has a 60-day deferment period, and so no payment would have been due until mid-August 2023 anyway.

At first, Monument asked Miss L for her bank statements going back to December 2019. When Miss L queried this, Monument realised that Miss L had gone back to work after her first unemployment claim had ended in April 2021. It therefore asked Miss L for her bank statements from August 2022, as this was when her temporary employment had ended. It explained it wanted to make sure that she wasn't receiving any employment income.

Miss L provided Monument with her current account bank statements going back to August 2022. When Monument reviewed these, it noticed regular cash deposits being paid into the account. Miss L told Monument these payments were made to her by friends and family, and Monument accepted her explanation.

However, Monument also noticed regular payments being transferred from another bank account. Miss L told Monument this was her savings account. Monument has asked Miss L for a copy of her statements for this account, so it can verify this. Miss L has refused to provide this information.

Sickness benefit is only payable if someone can't work. Given the frequency of the payment transfers and the amounts sometimes involved, it doesn't seem unreasonable that Monument wants to see the statements to check that the funds originated from Miss L's own savings as she has explained.

So I don't think Monument has done anything wrong by suspending the claim until Miss L provides it with the information it has asked for.

Miss L says that Monument didn't follow correct consent procedures. I see that when Miss L made the claim, she signed a statement of claim document which confirmed she would provide evidence satisfactory to Monument to prove the validity of her claim. This document also included separate authorisation to certain third parties (which she also signed) which allowed Monument to obtain information directly from those third parties. The listed third parties didn't include Miss L's bank. However, Monument didn't request any information directly from Miss L's bank, it asked Miss L for her bank statements. As I've said, I think that was reasonable.

I don't see any issues with the consent that Monument asked Miss L to sign when she made her claim.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 22 May 2024.

Chantelle Hurn-Ryan
Ombudsman