

## **The complaint**

Mr A has complained that Unum Ltd didn't settle a critical illness claim in full.

## **What happened**

In summary Mrs A suffered a heart attack and Mr A claimed under his group policy, which also covered Mrs A. Unum paid the claim, but Mr A felt the payment should have been £50,000 rather than £25,000.

The investigator didn't recommend that the complaint was upheld. Mr A appealed.

## **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.

As the background to this complaint is well known to the parties, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

Although I recognise that Mr A will be disappointed by my decision, for the following reasons I agree with the conclusion reached by our investigator:

- Mr A's cover started on 1 April 2015 – the benefit was then £25,000. I haven't disregarded Mr A's representation that he'd had the policy for 20 years. However that doesn't accord with the evidence I have seen which confirmed he, and Mrs A joined the scheme in April 2015.
- Mr A decided to increase the cover limit and was increased to £50,000 on 1 April 2023. However the change to benefit meant certain policy exclusions applied, including the related and pre-existing exclusion. I'm satisfied that is clear from the policy document that pre-existing and related conditions exclusion will apply from '*all increases in benefit that are not related to an increase in salary*'.
- Sadly on 16 April 2023 Mrs A suffered a heart attack. As Mrs A had suffered a related cardiac event in 2008, benefit was paid only up to the pre-benefit increase on 1 April 2023. I find that was fair and accords with the policy terms and conditions.
- Mr A has queried why benefit was paid at all if the policy conditions are followed. This is because Unum has treated Mrs A's heart event in 2008 as a related condition, rather than a critical illness. This meant the condition was ignored after two years and a claim was payable. But the increase in benefit in April 2023 triggered the two-year restriction again – so for a related condition, two years needed to pass before the increase would be applicable to this claim.

- In all the circumstances I don't find that Unum incorrectly settled the claim for Mrs A, that the settlement was contrary to the policy terms or unfair. It follows that there is no basis for me to require Unum to take any further action.

**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 A to accept or reject my decision before 21 December 2023.

Lindsey Woloski  
**Ombudsman**