

## The complaint

Mrs P has complained that The Royal London Mutual Insurance Society Limited declined a disability claim under her whole of life policy.

## What happened

The background to this complaint is well known to the parties so it serves no purpose for me to repeat it in detail here. In summary Royal London declined a claim for total and permanent disability, as it assessed the claim under functional disability tests.

Our investigator didn't find that Royal London had done anything wrong and so didn't recommend that the complaint be upheld.

Mrs P appealed via her representative, but for simplicity I will just refer to Mrs P. She felt that her claim should have been assessed under suited occupation and not functional ability tests. She felt that the exclusion was an unfair term and that it wasn't referenced anywhere in the documentation that she had received.

## 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.

Having done so I agree with the conclusion reached by our investigator for the following reasons:

- It is not in dispute that Mrs P has been diagnosed with an illness the symptoms of which are unlikely to improve, and which prevents her from working in her occupation.
- However her policy was set up on a functional ability tests basis, rather than an occupation basis. In accordance with the policy term Royal London assessed Mrs P's claim on this basis. To succeed she needed to show her disablement was irreversible with no reasonable prospect of there being any improvement. She also needed to show she was unable to perform two out of the five listed tests without the help of another person but with the use of assistive aids and appliances. As the evidence didn't show she met the criteria Royal London declined her claim – I don't find that was unfair.
- I haven't disregarded Mrs P's submission that she was unaware her policy was set up on this basis in 1998. But in this decision, I'm not considering the sale of the policy as it was not carried out by Royal London, but by an independent financial adviser. I can see an illustration was prepared for Mrs P in March 1998 indicating disability cover was on a suited occupation basis. But when the policy was underwritten the policy summary, under 'Policy Options – Changes' states *Occupational benefits have been declined*. Mrs P signed this document on 11 June 1998. Accordingly, I'm satisfied that it was fair to assess the claim on this basis and in accordance with the

terms that Mrs P had agreed to. For completeness I would add that the relevant regulations say that Royal London must not unfairly decline a claim. I don't find that there was a breach of the regulation here nor do I find that the definition of disability is itself unfair.

- I'm sorry that this decision doesn't bring Mrs P more welcome news, but for the reasons given I don't find that Royal London have treated her unfairly, contrary to her policy terms or law by declining 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 Mrs P to accept or reject my decision before 12 October 2023.

Lindsey Woloski  
**Ombudsman**