

The complaint

Mr C complains that The Royal London Mutual Insurance Society Limited ('Royal London') turned down his income protection claim. He's also unhappy about Royal London's handling of his claim.

What happened

In 2006, Mr C took out income protection cover with Royal London through his financial adviser. The aim of the policy is to pay benefit if an illness or injury prevents Mr C from doing at least two out of six listed working tasks, or if an illness or injury causes mental failure. The policy has a deferred period of 13 weeks.

In 2022, Mr C had surgery to treat a medical condition and stopped work for several months. He made a claim and said he couldn't do two of the working tasks (walking and lifting) after the surgery. Royal London considered the claim, but concluded that Mr C's illness didn't prevent him from doing both these tasks. Mr C complained to Royal London about this, and its handling of his claim.

Royal London didn't change its claims decision, but did accept that it had provided Mr C with a poor service. It offered him £500 compensation by way of apology for this. Mr C remained unhappy, and so he brought a complaint to the Financial Ombudsman Service.

Our investigator didn't recommend the complaint be upheld. She thought Royal London's claims decision had been correct, and that the compensation offered for its handling of the claim had been fair.

Mr C 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.

Claims decision

The policy says a claim will be paid if the insured is incapacitated for a continuous period longer than the deferred period. Due to Mr C's occupation, Royal London gave him a 'working tasks' definition of incapacity when the policy was taken out. The policy says this means:

'Any illness or injury arising before age 65 which:

- a) prevents the person covered from doing at least 2 out of the 6 working tasks without the assistance of another person, but with the use of appropriate assistive devices; or*
- b) causes mental failure...'*

The working tasks listed in the policy are: - walking; lifting; using a pen, pencil or keyboard; hearing; speech; and vision.

Mr C says he couldn't do the walking or lifting tasks throughout the deferred period. He accepts that he could do the other tasks. I've therefore only considered whether the evidence supports that Mr C's illness prevented him from walking and lifting (as specifically defined in the policy) throughout the whole of the deferred period and beyond.

The policy says the following:

Walking is *'the ability to walk 200 metres on a level surface with a stick or other aid if required, without stopping or severe discomfort'*.

Lifting is *'the ability to pick up 1kg from table height and carry it for 5 metres'*.

A few weeks after the surgery, Mr C was assessed by his specialist. They noted that he was recovering but still felt weak.

The GP said that Mr C was able to do the walking task. With regards to the lifting task, they said Mr C could pick up that weight, but couldn't carry it for five metres. So, based on the GP evidence, it seems Mr C was unable to do one of the working tasks, and therefore doesn't meet the incapacity definition in the policy.

Royal London obtained its chief medical officer's (CMO's) opinion too. The CMO said they'd expect a patient to return to their normal level of functioning around four to six weeks after that particular surgery, and be able to walk 200 metres by this time. Whilst the CMO acknowledged a patient would be asked to avoid heavy lifting, they thought a patient would be able to lift 1kg weight and walk for 5 metres with in around six weeks.

The available evidence therefore doesn't support that Mr C couldn't do the walking and lifting tasks for longer than the 13-week deferred period. I recognise my decision will disappoint Mr C, but I'm satisfied it was reasonable for Royal London to turn down the claim.

Sale

Mr C has raised concerns about the sale of the policy. He says he was led to believe the policy would cover him if he couldn't work, and that the documents provided by Royal London were misleading and didn't make it clear that the working tasks definition applied.

I don't think the promotional information or policy terms provided by Royal London were misleading. As our investigator has said, Royal London didn't sell Mr C the policy and so it wasn't responsible for explaining to him how the policy worked, or what the working tasks definition meant for him. Mr C should raise his concerns about this directly with the seller of his policy.

Delays

Mr C made a claim in August 2022, but didn't receive a claims decision from Royal London until October 2023. I see that the information Mr C provided Royal London when making his claim didn't show that he met the policy definition of incapacity. Royal London therefore contacted Mr C's GP and specialist for more information on 15 September 2022. This is what I would expect. However, Royal London didn't receive the GP information until early October 2023. As I understand it, Royal London only chased the GP on three occasions for this information.

Unfortunately, Royal London was reliant on third parties to provide the requested information and so much of the delay was outside of its control. However, I do think Royal London could have chased those third parties far more often than it did, and if it didn't think it was going to get a response, it could have considered other possibilities (such as arranging an independent examination).

Though I'm satisfied that once Royal London had received the GP report, it made a claims decision soon after this.

Royal London accepts that it contributed to the delays in the claims process by failing to chase for the requested reports promptly. It has apologised for this, and offered Mr C £500 compensation. In all the circumstances, I'm satisfied this was reasonable.

My final decision

My final decision is that I don't uphold this complaint in respect of the claims decision made by The Royal London Mutual Insurance Society Limited.

Royal London has already made an offer to pay £500 to settle the complaint in respect of the delays, and I think this offer is fair.

So, my decision is that Royal London should pay £500 (if it hasn't already done so)*.

*Royal London must pay the compensation within 28 days of the date on which we tell it Mr C accepts my final decision if it hasn't already done so. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 April 2024.

Chantelle Hurn-Ryan
Ombudsman