

The complaint

Mr Y complains that The Prudential Assurance Company Limited has unfairly rejected his claim for a terminal illness.

What happened

In 1996 Mr Y took out a term assurance policy. Sadly, in November 2019, Mr Y was diagnosed with prostate cancer. In February 2020, he contacted Prudential to see if he could claim under his policy. Prudential sent him some information about his policy and what he could claim for. After reviewing that information, Mr Y made a claim under his policy for terminal illness in March 2020.

Prudential reviewed Mr Y's claim but didn't accept it. Prudential sent Mr Y its decision in a letter via post despite Mr Y living abroad and corresponding with Prudential via e-mail. In the letter, Prudential said he hadn't met the definition of terminal illness because he hadn't been given a prognosis of less than twelve months to live.

Mr Y was unhappy with this decision because it was different to the policy information he was sent in February 2020, so he made a complaint. He was also unhappy with the way his claim had been handled and with the poor quality of the terms and conditions he had been provided with. Prudential reviewed the complaint and sent a final response offering £1,000 for the trouble and upset it had caused during the claim. But it said Mr Y's claim couldn't be accepted as he didn't meet the terminal illness definition. Mr Y remained unhappy, so he brought his complaint to this service.

Our investigator didn't think the complaint should be upheld. He was satisfied the policy Prudential provided contained the correct terms and conditions. And after reviewing the document and medical evidence, he was satisfied Mr Y hadn't met the terminal illness definition. The investigator added that he felt the £1,000 Prudential had offered for the trouble and upset it had caused was fair.

Mr Y disagreed and asked for an Ombudsman's review. He said Prudential hadn't been able to provide a suitable copy of his terms and conditions, so it shouldn't be able to rely on the terminal illness exclusion here.

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'm afraid I'm not upholding it. I know this will be very disappointing news for Mr Y, which is made worse given his current state of health. I want to assure him that I didn't take this decision lightly. I understand this is an incredibly difficult time for him. While I don't want to add to his distress, I can't say Prudential has treated him unfairly by declining his claim. I'll explain why.

Mr Y said Prudential should honour his claim because it hasn't provided complete policy documents and previously hadn't mentioned that he needed a prognosis of less than twelve months in order to make a claim. I've seen that the information Mr Y received wasn't the full terms and conditions like he asked for. And within the letter he was sent, it said he could claim under his policy if he was diagnosed with a terminal illness.

Unfortunately, Prudential hasn't been able to provide an original copy of Mr Y's policy which has his name and policy number on. But I'm not satisfied that means a copy of the terms and conditions of his policy can't be considered when he makes a claim. Given the time that has passed since the policy started, it's not unusual for all the documentation to no longer be available. And because this information isn't available doesn't mean the complaint should be upheld.

I've considered the terms and conditions which Prudential have provided, so I can decide whether Prudential unfairly declined Mr Y's claim. And I note the terminal illness definition which says Mr Y must have a life expectancy of less than twelve months in order for the claim to be accepted.

In November 2019 Mr Y's consultant told him there were treatment options available to him and his cancer could be controlled for several years at least. Prudential then wrote to his consultant and asked what his likely prognosis was. And the consultant confirmed it was longer than twelve months. I'd like to reassure Mr Y it's very common for a terminal illness definition to include a prognosis of less than twelve months. And although I understand that Mr Y has been given a terminal diagnosis, he hadn't met the other part of the definition when he made the claim. So, I can't ask Prudential to accept the claim here.

Prudential has offered Mr Y £1,000 for the trouble and upset it has caused here. It's considered that Mr Y made a claim based upon the lack of information it provided to him in February 2020 and for sending its claims decision in the post. I've carefully considered what's happened here. Having done so, I'm satisfied the £1,000 Prudential has offered fairly reflects the trouble and upset it has caused and is in line with what I'd expect in similar cases.

So, I'm not going to ask Prudential to do anything more here.

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 Mr Y to accept or reject my decision before 13 September 2021.

Mark Dobson
Ombudsman