

The complaint

Mr O is unhappy with Society of Lloyds' decision to not pay his claim.

What happened

Mr O said he took an income protection policy with Lloyds in 2016. He was made redundant and so claimed on his policy in August 2019. Mr O said that Lloyds has asked him to provide information that's not part of the policy terms. He believes this is unfair because the information it's requested was not made clear within the policy. He's provided some of the information and would like Lloyds to pay his claim on that basis. Mr O also said that Lloyds deliberately delayed asking for this information and caused unnecessary delays throughout its handling of the claim.

Lloyds said it needs Mr O to send everything it's asked for so it can validate his claim. It said that without this, it's unable to determine whether he meets the policy terms. Lloyds accepted there were delays between September and December 2019, because it was unable to gain the necessary information from Mr O's previous employer. However, once this was received, it was able to move things along in good time.

Our investigator didn't uphold this complaint. She said Lloyds was entitled to ask for the information and that the terms didn't need to give this level of detail. She also agreed that the delays weren't caused by Lloyds and said it was proactive when attempting to gather evidence to decide Mr O's claim.

Mr O didn't agree and asked for an ombudsman to consider his complaint. He said that Lloyds moved the goal posts in December 2019 about what it expected. He also said that he's been without money for more than six months and that he would like this issue resolved. And so, it's for me to make a final 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.

Having done so, I've decided not to uphold this complaint. My reasons are the same as those already explained by our investigator in that Lloyds is entitled to validate his claim prior to making any payments. I also disagree that Lloyds have moved the goal posts because I think it's been clear about the information required from Mr O. I'll explain why.

Lloyds hasn't given a decision on this claim to date. And the reason for that is because Mr O hasn't provided all the necessary information for it to do that. I can see that Mr O has shared some of the information requested, but it's still waiting for him to agree to its declaration and send further information to evidence he'd searched for at least three new jobs each month. Lloyds was clear about what it needed from August 2019 and has continued to reiterate and request this evidence since then. But Mr O hasn't complied with Lloyds' requests. And so, Lloyds has been unable to verify his claim. Should Mr O want his claim assessed properly,

then he'll need to comply with Lloyds so it can decide. So, although there are delays here, I'm satisfied they're not caused by Lloyds.

I've considered Mr O's arguments about the policy terms not clearly stating all the information it might need to assess a claim, but I'm not persuaded by it. I say that because the policy terms aren't designed to explain every eventuality, nor would I expect such a granular level of detail to be included here. They tend to be much broader in that respect. The policy terms say a consumer must;

"supply and pay for all information or evidence asked for throughout your claim"

So, I'm satisfied that Lloyds made it clear that its consumers should comply with its reasonable requests for information. Further, I say the request is reasonable because it's what I'd expect an insurer to do in the circumstances and is in line with good industry practice. I've not seen that Lloyds has requested anything more from Mr O than what it needed to assess his claim fairly. However, it's still entitled to request any information it deems relevant to do this. Lloyds clearly stated from the outset what it might need;

"you must ensure you keep all of the following evidence of searches for work as these may be required in the future:

- *Copies of job applications*
- *Invitations to interviews*
- *Rejection letters*
- *Registration with employment agencies*
- *Emails chains etc*
- *Evidence of continuous receipt of Jobseeker's Allowance."*

And then, in December 2019, following information from Mr O's previous employer, Lloyds asked for completed information or evidence of;

"a Customer Declaration to be submitted as soon as possible:

- 1. Confirming that you are still receiving Jobseekers Allowance.*
- 2. Requesting details/evidence of at least 3 positions applied for per month for the period 5 September 2020 to 4 December 2020; including copies of applications, response letters and interviews.*
- 3. Requesting evidence of your continuous Jobseeker's Allowance payments for the same period. if we are dissatisfied with the evidence you provide, then we may request further proof or withhold your claim".*

I also note that Mr O was claiming other government benefits and that he would have had to provide similar evidence in order to obtain them. Given what I've just explained, I'm unclear as to why Mr O has chosen not to engage with Lloyds in the same way, as he hasn't given any direct acknowledgement to this element of the complaint, despite our investigator highlighting this very point.

My decision is that should Mr O want to receive the benefit of this policy, then he must first comply with Lloyds' request for information, as detailed in many of its letters including those sent in August, December and January 2020. Lloyds can then validate his claim and give an answer on whether it'll accept it, subject to the remaining policy terms.

My final decision

I don't uphold this complaint because I don't think Lloyds has done anything wrong for the reasons I've explained.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 27 August 2021.

Scott Slade
Ombudsman