

The complaint

Mrs P complains that Canada Life Limited unfairly declined her group income protection claim.

Mrs P is recently represented, but for ease I'll refer to all submissions as being made by her directly.

What happened

The following is only an overview as both parties are familiar with what happened.

Mrs P had access to a group income protection policy through her employer. The policy was designed to provide a regular benefit in the event of incapacity due to illness or injury, and after a period of 13 weeks.

In August 2019 Mrs P became absent from work. She made a claim on the group income protection policy in October 2019, and said she'd been suffering from work related stress. Mrs P experienced other conditions following her initial claim too.

During Canada Life's assessment Mrs P complained about the progress being made. Canada Life acknowledge it'd caused some delays and offered Mrs P £50 in compensation. However, it later declined Mrs P's claim and said the available medical evidence hadn't demonstrated an incapacity in line with the policy terms.

Mrs P complained but Canada Life maintained its decline. To recognise its previous delays it did increase its compensation offer by another £50, taking its total offer to £100. So Mrs P approached this service.

Our investigator didn't think Canada Life had unreasonably found that incapacity had not been demonstrated. They did accept Mrs P had experienced a number of different health conditions though. And although they thought Canada Life had been responsible for some delay, they said the £100 compensation it had already offered to reflect that was fair.

Mrs P disagreed. She said the medical evidence had demonstrated incapacity throughout the deferred period and her own testimony had been disregarded. She said the insurer had misinterpreted the medical evidence, matters had not been investigated objectively, and neither her mental health nor the totality of her health conditions had been fairly dealt with.

So, as no agreement was reached on the matter Mrs P's complaint was passed to me.

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 will not be interfering with Canada Life's decision to decline this claim. Let me explain why.

Canada Life has a responsibility to handle claims promptly and fairly, and not unreasonably decline a claim. The terms and conditions of the group policy set out that it will treat a member as suffering incapacity if:

“...throughout the deferred period and beyond, the member’s illness or injury prevents them from, and makes them incapable of, performing the material and substantial duties of their normal occupation.”

The policy also set out that Canada Life defines ‘material and substantial duties’ as meaning:

“... the duties that a member is normally required to do to perform their normal occupation and which cannot be reasonably omitted or modified by you or the member. The duties refer to the tasks the member is required to perform, and whether those tasks could be carried out for you or any other employer. In addition, a journey to and from the member’s normal residence to the normal place of work is not regarded as part of the normal occupation.”

Both sides are familiar with the material and substantial duties of Mrs P’s normal occupation, so I won’t recite those here.

The stress/mental health conditions

When Mrs P’s claim was first submitted, it was explained that she was suffering from work related stress. Reference to her suffering from work related mental health problems was noted at the same time too.

Workplace stress would not be considered an illness for the purposes of Mrs P’s income protection claim, and I don’t think it was unreasonable of Canada Life to take that position. I acknowledge Mrs P disagrees with this and says there was more evidence that Canada Life could have sought in relation to her mental health, but the onus to demonstrate a valid claim falls to the claimant. Mrs P would have been the party needing to demonstrate, through medical evidence, an incapacity in line with the policy terms.

Canada Life was entitled to rely on the medical evidence made available to it. While I won’t refer to every piece of available medical evidence, I do note that a medical report of 10 March 2020 advised there was no objective evidence of Mrs P having an underlying psychological condition. The same report also said that Mrs P’s reported psychological condition wasn’t preventing her from returning to work. And another report of 28 March 2020 also said:

“(Mrs P) was thus off work in a position of being able to return to work were it not for the conditions at work and their lack of resolution. Were it not for this, she could have returned to work within weeks of coming off work on August 2019.”

Mrs P has asked that some of the medical evidence be forgiven for its lack of reference to certain health concerns. For example she says the lack of reference to mental health problems within the GP records shouldn’t be considered unsurprising – because other conditions were presenting more immediate concern for her, and her GP, at the time.

I appreciate Mrs P’s request, but it wasn’t unreasonable of Canada Life to rely on what was made available to it. The medical evidence made available did contain themes of Mrs P’s stress and mental health issues being triggered by workplace matters. And I’m not persuaded that it was unreasonable of Canada Life to find that psychological problems had not prevented her from working throughout the deferred period and beyond.

The TIA

I don't think it was unreasonable of Canada Life to find that Mrs P's TIA was not preventing her from working throughout the deferred period either.

The medical evidence relating to this condition shows Mrs P was referred to an NHS Stroke Service in October 2019, having reported a sudden loss of vision in one eye. It also shows her loss of vision had completely returned after four to five hours, no gross focal neurological defect was identified, visual activity was intact in both eyes, and there was no visual field defect. It shows Mrs P was advised by the stroke service not to drive for a month, was referred for some additional examinations, and had a follow up review arranged for three months' time.

However, the same evidence also sets out that Mrs P was discharged from any further follow ups by the stroke service in December 2019. In addition, the medical report noted above (of 10 March 2020) sets out that Mrs P's absence from work was not due to her TIA. And the medical report of 28 March 2020 sets out that her TIA had not prevented her from working throughout the deferred period and beyond either.

The musculoskeletal problems

Hip pain was also something that Mrs P said was preventing her from working, but I'm not persuaded that this is corroborated within the medical evidence either.

Again, without referring to everything available, Mrs P's GP records show that she reported worsening hip pain at the end of November 2019. In early December 2019 the same records note that she had a good range of pain free movement on examination, but was given pain medication to manage to intermittent pain. By the end of December 2019 Mrs P's pain was noted in the GP records as being much better, and none of the medical reports I cited above found that Mrs P's hip pain would have prevented her from working throughout the deferred period and beyond either.

Mrs P has explained that she is concerned about the independence of the medical reports provided. She says they should be treated with caution, and she's questioned whether this service should seek CVs to verify impartiality. While I appreciate Mrs P's concerns, this service will not be seeking CVs and as I set out above, I don't think it was unreasonable of Canada Life to rely on the medical evidence that was provided.

Wrist pain was also another condition that Mrs P said prevented her from working, but within the available evidence this was noted as improving throughout the deferred period. For example, in September 2019 reference was made to Mrs P being advised to wear a brace, but there was no advice to refrain from work and her pain levels were noted as improving within the same month too. Mrs P was also noted as having used her affected hand for most things in October 2019, and in November 2019 she was noted as only having worn a splint a couple of times at night, with it otherwise not being needed.

Mrs P says the lack of reference to her wrist problems was because she was already signed off work by her GP, and therefore it was inevitable that those problems didn't feature as significantly as they otherwise would have done. As I set out above, I appreciate Mrs P's explanation regarding the lack of medical evidence in places. But Canada Life was entitled to rely on the evidence that was made available to it, and I don't think it was unreasonable of it to conclude Mrs P hadn't demonstrated incapacity throughout the deferred period and beyond because of her wrist pain.

The gynaecological problems

Mrs P was referred to a consultant gynaecologist by her GP in January 2020. I am also

aware that she underwent investigative procedures the following month, and was scheduled for surgery in March 2020 which did not go ahead due to covid-19.

I have no reason to doubt Mrs P's testimony in relation to how difficult the symptoms of her gynaecological problems were to manage. And I am aware that she was advised to wait to return to work until after her operation had taken place. However, Mrs P's operation did not take place, and I don't think Canada Life acted unreasonably in concluding that the medical evidence relating to her inability to work appeared to be based on the understanding that the operation was expected to go ahead as originally planned. Nor do I think it acted unreasonably in concluding that Mrs P's gynaecological problems did not demonstrate incapacity in line with the policy terms.

Both parties will be aware that my role is not to reach a medical opinion on whether Mrs P was or was not incapacitated. It is to look at all of the available evidence and arguments and decide whether I think Canada Life acted reasonably in declining this claim. Mrs P clearly feels very strongly about her position and I fully appreciate that she has been unwell. However, based on the available evidence in this complaint I am not persuaded that I can fairly conclude Canada Life acted unreasonably in declining this claim. So, I will not be interfering with its decision.

The delays

Canada Life was responsible for some delays during its assessment of matters and I agree those delays had an impact on Mrs P.

Our investigator rightly highlighted that there is not medical evidence to corroborate the stress and anxiety Mrs P says Canada Life caused her. However, Mrs P was unwell, and I fully appreciate that finding herself in the position of making a claim for income protection was likely to have been both physically and emotionally challenging. Delays during this time would have understandably caused Mrs P additional worry, upset and frustration, and so I think it was right of Canada Life to recognise that.

Putting things right

An award of compensation is not intended to be punitive. It is intended to be a fair and proportionate reflection of the impact a business mistake has had on someone.

I understand Mrs P did not accept Canada Life's offer of compensation at the time. But applying the above approach here, I think Canada Life's total offer of £100 is both a fair and proportionate reflection of the impact its delays had on Mrs P and I think it should now be paid.

My final decision

Canada Life Limited has already made an offer to pay £100 in compensation and I think this offer is fair in all the circumstances.

So my decision is that Canada Life Limited should pay £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 15 June 2022.

Jade Alexander
Ombudsman