

The complaint

Mrs D is unhappy because The Royal London Mutual Insurance Society Limited declined a claim she made on her critical illness plan.

What happened

Mrs D had a critical illness plan linked to her mortgage. In 2021 she made a claim for Total and Permanent Disability ('TPD') due to her mental health but the claim was declined. Mrs D complained but Royal London maintained their decision to decline the claim.

Mrs D made a complaint to the Financial Ombudsman Service. Our investigator looked into what had happened and didn't uphold the complaint. Mrs D provided an independent medical report with more information about her health. This didn't change Royal London's view about the claim. However, the investigator thought it demonstrated she now met the policy definition of TPD. So, he recommended that the claim was paid.

Royal London didn't agree and asked an ombudsman to review the complaint. In summary, they said that they didn't think the medical evidence suggested Mrs D was permanently and irreversibly disabled. So, I need to make 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.

The relevant rules and industry guidelines say that Royal London has a responsibility to handle claims promptly and fairly. And, they shouldn't reject a claim unreasonably.

The policy defines TPD as:

The Life Assured being permanently and irreversibly disabled to the extent of being unable to perform his normal occupation or any occupation to which he is suited by way of education, experience or training, in the opinion of a Specialist Consultant...

I'm upholding Mrs D's complaint because I think she's provided enough evidence to demonstrate she has a valid claim under the policy. I say that because:

- Mrs D was diagnosed with a mental health condition. She's accessed treatment and support from her GP and the community mental health team since she stopped work due to her illness. Mrs D also was admitted as an in-patient for a short period of time when she first became unwell.
- I think the available medical evidence demonstrates that she's unable to work due to a number of symptoms she experiences as a result of the deterioration in her mental health. I don't think the medical evidence suggests that Mrs D is likely to recover to an extent where she'll be able to return to her own occupation or a suited one. For example, she's unable to leave the house or drive and she finds it very difficult to communicate verbally as her condition has affected her speech.
- I don't agree that the independent medical report is of no assistance in this case. Although the report was prepared for another insurer it gives a detailed insight into Mrs D's health during the relevant period of time. It was prepared by an independent consultant psychiatrist who had access to Mrs D's medical history. He concluded that Mrs D was permanently prevented from returning to her occupation due to the severity of her depressive illness. It also noted that the barriers for Mrs D returning to work were considerable, even if Mrs D worked for another employer. So, I think it is reasonable to rely on the report, given the contents and purpose of it. The conclusions of this report are also consistent with the other medical evidence I've been provided with.
- I've taken into account the comments from Royal London's Chief Medical Officer, including what he's said about some of the treatment options that may be available to Mrs D. However, I find the other medical evidence and the independent report more persuasive in the circumstances of this case. Mrs D's treating team have the benefit of engaging with her regularly and the independent consultant had the benefit of a virtual meeting with Mrs D. I think they were better able to assess the impact of Mrs D's symptoms and the likelihood of her being able to return to her own occupation or another suited one. So, the CMO's comments haven't changed my thoughts about the overall outcome of this complaint.

Putting things right

I'm upholding this complaint and direct Royal London to put things right by accepting Mrs D's claim and settling it in line with the remaining policy terms.

My final decision

I'm upholding Mrs D's complaint about The Royal London Mutual Insurance Society Limited and direct them to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 10 October 2023.

Anna Wilshaw
Ombudsman