

The complaint

Mrs R is unhappy that UNUM Limited declined a claim she made on her employer's group income protection policy.

What happened

Mrs R is unhappy that UNUM have declined her claim and with the service she received. Mrs R became absent from work in November 2021. She returned to work in December 2021 but was signed off again. In March 2022 she was placed on garden leave before her employment ended in August 2022 due to redundancy.

In June 2022 Mrs R's employer sent UNUM the employer claim form. Around the same time Mrs R completed a medical declaration. But she didn't complete the employee claim form until August 2022.

UNUM assessed the claim and said that they'd been notified of the claim outside the relevant timeframe specified in the policy. So, they declined Mrs R's claim. Unhappy, Mrs R complained to UNUM but they maintained their decision to decline the claim. So, Mrs R complained to the Financial Ombudsman Service.

Our investigator didn't think it was unfair that the claim had been declined because she noted that Mrs R had been on full pay throughout. However, she thought UNUM could have been more proactive when they became aware that Mrs R was struggling to complete the claim form. She thought UNUM ought to have identified at an earlier stage that there wouldn't have been a claim to be paid, because Mrs R was receiving her income. She awarded £200 compensation.

Mrs R didn't think this was a fair outcome and raised lots of points in response to the investigator's recommendation. In summary she said that UNUM should pay her former employer and that the compensation didn't fairly reflect what she'd been through. She wanted to make sure that other people, in her position, didn't have the same poor experience. Unum accepted our investigator's recommendation. So, I now 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 Unum has a responsibility to handle claims promptly and fairly and they shouldn't reject a claim unreasonably. They should also provide reasonable guidance to help a policyholder make a claim.

At the outset I acknowledge I've summarised this complaint in far less detail than the parties have, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an

informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair and reasonable outcome in the circumstances of this case.

I'm partly upholding Mrs R's complaint but I think £200 compensation is fair and reasonable. I say that because:

- Even if I accepted Mrs R's position that her claim was unfairly declined it doesn't automatically follow that the complaint should be upheld. I'd also need to be satisfied that Mrs R lost out as a result of what went wrong. I don't think that's what has happened in the specific circumstances of this complaint.
- Mrs R was receiving her full pay from her employer during the relevant time that she was off sick and then on garden leave. The policy is designed to protect income in the event of long-term sickness. In this case there was no income for UNUM to replace.
- I appreciate that Mrs R feels Unum has avoided paying her employer thousands of pounds. But, that's a matter between her former employer and UNUM. And, I can't fairly say that UNUM should make the claim payments when she didn't lose her income.
- UNUM did put Mrs R through a lot of unnecessary stress and worry. I think this could have been avoided if UNUM had identified that there were other reasons not to pay a claim much sooner.
- Mrs R did receive poor customer service during the claims journey. For example, she had to gather a lot of medical evidence and information about her health which I don't think was necessary given that she'd not lost her income. She also didn't receive appropriate information and support with completing the claim form and some of the communication from UNUM didn't accurately reflect the medical information Mrs R had provided. There were times when Mrs R's case wasn't handled with the appropriate level of empathy and understanding about her ability to engage with the claims process.
- I've thought about the impact of the poor service Mrs R received. I accept it caused her unnecessary distress and inconvenience at a time when she was experiencing issues with her mental and physical wellbeing. So, I think it made an already difficult time even worse. However, I think £200 fairly reflects the impact on Mrs R during this time.

Putting things right

I'm partly upholding this complaint and direct UNUM to pay Mrs R £200 for the distress and inconvenience caused by poor customer service.

My final decision

I'm partly upholding Mrs R's complaint and direct UNUM Limited 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 R to accept or reject my decision before 21 September 2023.

Anna Wilshaw
Ombudsman