

The complaint

Ms E has complained about the way St Andrew's Insurance Plc (St Andrews) dealt with a claim made under her critical illness policy.

What happened

Ms E submitted a claim under her policy when her son was diagnosed with a form of cancer. St Andrews admitted the claim for Children's Critical Illness, but the sum paid was less than Ms E expected. She also complained about the service she received – St Andrews didn't send a policy document when Ms E requested one and didn't explain the process after the claim had been paid.

St Andrews offered Ms E £100 compensation in recognition of the distress caused by not sending the policy document sooner. Our investigator didn't recommend that the complaint was upheld, and he felt the offer of compensation was fair.

Ms E appealed.

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.

Firstly, I'm aware I've summarised the background to this complaint and some sensitive medical details. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've fully reviewed the file and listened to Ms E's representations made to our investigator after his view was issued.

Having done so I agree with the conclusion reached by the investigator. I'll explain why.

Ms E's policy wording clearly explains what the benefit will be in the event of an eligible claim. It says:

The cash sum we will pay if an eligible child is diagnosed as suffering from a children's critical illness. This will be the lesser of:

- £25,000; or
- half your critical illness benefit.

As the benefit was less than £25,000, St Andrews paid half the critical illness benefit in accordance with the policy conditions. I'm satisfied that it correctly assessed the claim, requesting access to medical records as required and did so expediently. I find that its assessment and settlement of the claim was fair.

However, I understand that Ms E was unaware of the benefit due. She had requested the policy terms and conditions be sent to her but only the schedule was sent. It wasn't until

some months later she raised this and received the policy booklet. I'm satisfied that Ms E was going through a very stressful time, caring for her son and attending appointments with him. It is unfortunate that due to an error on St Andrews part the policy booklet wasn't sent, and I can see this did have an impact on Ms E.

It would have caused Ms E less anxiety and inconvenience had the policy booklet been sent when she first requested it. The policy was taken out in 2010 and she may not have retained the booklet. She wouldn't therefore have been aware of the specific policy terms when making her claim. Accordingly, when she received a claim settlement offer, Ms E couldn't compare it to the policy terms. Had the policy been sent when first requested Ms E wouldn't have needed to chase for it to be sent – at what was already a stressful time for her, during her son's illness. I agree that compensation is merited for this service failing.

Ms E had also requested a face-to-face meeting with St Andrews. However it apologised and explained that it didn't have to offer this service to customers. It did explain that the settlement of the Children's claim would not impact Ms E's cover. I find its response in this regard was reasonable.

But like our investigator I'm satisfied that the offer of compensation made is fair in the circumstances for the service failing and the impact this had on Ms E. Ms E has indicated that she would want this sum to be paid to charity – of course it is open to her to donate the money should she so wish.

My final decision

St Andrew's Insurance Plc has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that St Andrew's Insurance Plc should pay Ms E £100 if it hasn't already done so. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 13 February 2024.

Lindsey Woloski
Ombudsman