

The complaint

Mrs M and Mr M have complained about the settlement of a critical illness claim by Zurich Assurance Ltd.

What happened

The background to this complaint is well known to the parties so I won't repeat it in detail here. In summary Zurich when settled a claim under a joint life policy in 2023 – it was apparent from the medical evidence that a claim could have been made in 2013. Mrs M and Mr M felt that Zurich should pay interest on the settlement amount.

Our investigator didn't find that Zurich had done anything wrong. Mrs M and Mr M appealed. They are represented by their son, for ease of reading I will refer to him as Mr M junior.

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. 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'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Having done so, and although I'm sorry to disappoint Mrs M and Mr M I agree with the conclusion reached by our investigator. I'll explain why.

- Zurich says that when assessing the claim made in 2023 it discovered that Mrs M could have made a valid claim in 2013. But it says that there is no evidence that a formal claim was made prior to February 2023. However, Mr M junior says that both he and their adviser did call Zurich in 2013 regarding Mrs M's heart issues but they were told they couldn't claim. I've looked carefully at the evidence before me in order to determine what I find happened.
- Zurich no longer has telephone recordings from 2013, given the passage of time and data protection laws this is understandable - it is not required to retain them. Nevertheless it does have telephone notes from 2009 which it has shared with Mr M. These notes confirm that that on 8 October 2013 Mrs M and Mr M's adviser called to enquire whether it would be possible to claim as Mrs M had suffered a stroke, which he thought was a TIA. He was told that a TIA wasn't covered, and the adviser said that he would come back and confirm. There is no further note of a call from the adviser or Mr M junior in 2013. The next entry is an unrelated enquiry from Mr M in 2018. Mr M junior believes there was a further call in 2013, but there is nothing to show this is the case. I find that that the telephone notes are more likely than not accurate and therefore credible. I'm not persuaded on the evidence that a further call

was made, and details of Mrs M's condition were given in 2013. It follows that I'm not persuaded that a claim was made in 2013 or that Zurich was given the correct details of Mrs M's condition and advised she was unable to claim at that time.

- In all the circumstances I find don't find that Zurich has done anything wrong. Mrs M and Mr M's policy has a provision that claims must be made no more than six months after the condition giving rise to the claim has been diagnosed or within six months of the life assured becoming aware of the diagnosis. But Zurich disregarded this and met the claim from 2013 in 2023 and refunded the premiums paid after that time. This was the most advantageous settlement to Mrs M and Mr M. Accordingly I find that they were treated fairly. This being so I don't require Zurich to pay interest on the settlement made in 2023. It is clear that Mrs M has experienced a very difficult time health wise and I'm sorry that my decision doesn't bring Mrs M and Mr M more welcome news.

My final decision

For the reasons given above my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 23 February 2024.

Lindsey Woloski
Ombudsman