

The complaint

Miss M and Mr D are unhappy that The Royal London Mutual Insurance Society Limited declined a terminal illness claim made by Miss M on their life cover plan ('the plan').

As this complaint is about the claim made on the plan by Miss M, and for ease, I'll refer to her throughout.

What happened

Very sadly, Miss M was diagnosed with stage 4 cancer and made a claim for terminal illness on the plan. Royal London declined that claim on the basis that the plan definition of 'terminal illness' hadn't been met.

Unhappy with that decision, Miss M brought a complaint to the Financial Ombudsman Service. Our investigator looked into what happened. He didn't think Royal London had unfairly declined the claim. Miss M disagreed so her complaint has been passed to me to consider everything afresh to decide.

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.

Royal London has an obligation to handle claims promptly and fairly and it mustn't unreasonably decline a claim.

Relevant terms and conditions of the plan

The plan says Royal London will pay a claim if:

during the term of the cover the person covered (if there are two people covered, either of them)...is diagnosed with a terminal illness that meets our definition...

Terminal illness is defined as:

Where death is expected within 12 months.

A definite diagnosis by the attending consultant of an illness that satisfies both of the following:

- the illness either has no known cure or has progressed to the point where it cannot be cured, and
- in the opinion of the attending consultant the illness is expected to lead to death within 12 months.

For us to accept the diagnosis of the person covered as evidence of a claim, it must be:

- made by an appropriate medical specialist,
- the first and unequivocal diagnosis of the illness, and
- confirmed by our chief medical officer.

Did Royal London unfairly decline the terminal illness claim?

When making a claim, it's for the policyholder to establish that there's a valid claim under the plan and that the definition of terminal illness has been met. It's not for an insurer (in this case, Royal London), to show that this definition hasn't been met.

I have a lot of empathy for Miss M's situation, and I can't imagine how difficult the last couple of years have been for her. I know she and Mr D will be very disappointed but for the reasons set out below, I don't uphold this complaint.

- I'm satisfied that Royal Life has fairly and reasonably concluded that the definition of terminal illness hasn't been met.
- The consultant clinical oncologist's letter dated March 2023 reflects that: "this lady is undergoing palliative chemotherapy for her stage IV...cancer. Her prognosis is in the order of twelve months". So, I don't think the attending consultant has given an opinion that Miss M's illness is expected to lead to death **within** 12 months (my emphasis). And that's one of the specific requirements of what needs to be established for the definition of 'terminal illness' to be met under the plan.
- I've taken on board all Miss M's other points including what she says about wanting Royal London's chief medical officer to provide a prognosis that her life expectancy is more than 12 months. But I'm not persuaded that would be fair and reasonable. As explained above, it's for Miss M to establish that she met the definition of having a terminal illness as defined by the plan. And for the diagnosis to be accepted, it must first be made by an appropriate medical specialist and then confirmed by the chief medical officer.
- In its final response dated November 2023, Royal London has said it'll review the claim in light of any further medical evidence Miss M is able to provide (to see if the terminal illness definition has been met). I think that's fair and reasonable.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M and Mr D to accept or reject my decision before 22 February 2024.

David Curtis-Johnson
Ombudsman