

The complaint

Mrs M is unhappy that HSBC Life (UK) Limited declined a claim she made on her employer's group income protection scheme.

What happened

Mrs M claimed on her employer's group income protection policy. She complains that HSBC declined the claim and says they didn't handle the claim well.

In their final response letter HSBC said that the available evidence suggested that Mrs M was having ongoing issues in the workplace and that she didn't meet the policy definition of incapacity. Mrs M complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. She thought that the circumstances of the claim weren't covered by the policy terms and conditions. And she didn't think HSBC had treated Mrs M unfairly.

Mrs M didn't agree and asked an ombudsman to review the complaint. She said that HSBC were aware of the circumstances of her complaint but had contacted a senior manager at her workplace. She also explained that due to previous issues with HSBC she didn't feel comfortable trusting them with sensitive medical information. She said that she was disgusted that bits of the occupational health report were selected by the investigator and HSBC to suit them. So, the complaint was passed to me 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 HSBC has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions say:

The following are not considered to be an illness or injury, and therefore are not covered under this scheme and any claim in relation to any of the following may be declined:

[...]

- Stress or workplace stress are not considered to be an illness or injury and are therefore not covered under this scheme;
- Any non-medical cause responsible either directly or indirectly for your absence from work, as identified by the insurer, including but not limited to disciplinary matters, grievances or other workplace issues.

I'm not upholding Mrs M's complaint because:

- I don't think it was unreasonable for HSBC to conclude that Mrs M's claim was excluded under the policy terms.
- The available evidence demonstrated that Mrs M had ongoing work-related issues with her employer. So, I don't think it was unreasonable for HSBC to conclude that the exclusions applied.
- There's no dispute that Mrs M did have a diagnosed medical condition. However, I think HSBC fairly concluded that the main reason for her absence was due to the workplace issues.
- I think HSBC had enough information to fairly assess the claim. I appreciate that Mrs M feels that they should have contacted her GP for more information but, in the circumstances of this case, I think the level of detail in the reports was sufficient for them to reach the conclusion that the exclusion applied.
- I think it was reasonable for HSBC to reach out to Mrs M's employer, who was the policyholder. They'd unsuccessfully tried to contact Mrs M before approaching her employer. Although HSBC didn't take this approach on previous occasions, I don't think this means it was unreasonable to do so on this occasion.
- I'm not persuaded that HSBC's decision to contact Mrs M's employer was done with any malicious intent as Mrs M has alleged. Whilst I can understand why it was distressing for Mrs M to be contacted by the person concerned, I don't think this was done by HSBC with the intention to cause her distress or to influence the outcome of the claim. I think it's more likely that they contacted Mrs M's employer to try and move forward with the claim.
- I don't agree that HSBC have failed to take account of Mrs M's vulnerability when assessing the claim. I'm satisfied that HSBC handled the claim fairly in all the circumstances.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 29 March 2024.

Anna Wilshaw
Ombudsman