

The complaint

Miss S complains about the way that Scottish Friendly Assurance Society Limited handled a claim she made on a personal income protection insurance policy.

All references to Scottish Friendly include the actions of the agents acting on its behalf.

What happened

In April 2023, Miss S took out a 'Guardian' income protection insurance policy through a broker, which was underwritten by Scottish Friendly.

Unfortunately, around a month later, Miss S became unable to work and so she made a claim on her policy.

Scottish Friendly asked Miss S' GP for medical evidence so that it could assess her claim. However, it initially didn't include a list of Miss S' key duties within its first medical report request. It later identified that it needed additional medical information about Miss S' medical history from the GP. But one of Scottish Friendly's claim handlers failed to give the GP the general claims email address, instead responding through their personal email. The GP therefore appears to have provided the additional information directly to the claim handler. As the claim handler had left the company though, the follow-up GP information wasn't picked-up. The error appears to have been identified on 26 September 2023 and the information was requested again.

Miss S was unhappy with the delays in handling her claim and she complained. Scottish Friendly issued its final response to Miss S' complaint on 8 November 2023. It acknowledged that the claim handler had wrongly emailed the GP surgery from their own account, therefore causing a small delay. It paid her £50 compensation to reflect this error. It appears it also waived her premium in August 2023.

Remaining unhappy with Scottish Friendly's position, Miss S asked us to look into her complaint.

Our investigator didn't think Scottish Friendly's compensation award was enough to reflect the impact of its claims handling errors on Miss S. He felt Scottish Friendly had made more than one error during its handling of the claim and he thought that it should pay Miss S total compensation of £200 to reflect this.

Scottish Friendly disagreed and so the complaint's been passed to me 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.

Having done so, I think the fair outcome to this complaint is for Scottish Friendly to pay Miss S total compensation of £200 and I'll explain why.

First, I must make the parameters of this decision clear. This decision will only consider Scottish Friendly's handling of the claim up until it issued its final response to Miss S' complaint on 8 November 2023. I understand Miss S has made a new complaint about Scottish Friendly's claims decision which will be considered separately by this service.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. So I've taken those rules into account, amongst other things, when deciding whether I think Scottish Friendly has treated Miss S fairly.

Scottish Friendly accepts that it did cause an error while it was handling Miss S' claim. It's paid Miss S £50 to reflect the impact of that mistake. I've considered then whether I think this offer is fair and reasonable in all the circumstances.

I've looked very carefully at the claims correspondence between Scottish Friendly and the GP surgery, which Scottish Friendly provided to us. I can see that a claim handler first emailed the GP surgery on 1 August 2023 with a copy of Miss S' signed consent form, asking the GP to complete a medical report and all records relating to a fall Miss S had had in 2022.

The GP surgery emailed back on 4 August 2023 to explain that it couldn't open the report and asked for it to be sent in another format. This was actioned on 11 August 2023. At this point, Scottish Friendly asked for further information about Miss S' medical history - in addition to the evidence it had already asked for - following the receipt of additional information from Miss S. The GP surgery responded to say that the claim handler hadn't included information about Miss S' key duties – instead, it seems a template had been provided. It seems then that Scottish Friendly had made a mistake when it first requested the medical information on 1 August 2023 because it doesn't appear it gave the GP surgery enough information to accurately complete the report.

The GP report was completed on 18 August 2023 and it was sent back to Scottish Friendly. But it doesn't appear that all of the additional information Scottish Friendly had asked for on 11 August 2023 had been included, so the claim handler asked the GP for this evidence again.

It isn't clear when exactly the GP provided the additional information. What we do know though is that it seems the GP sent the information directly to the claim handler. Unfortunately, by this point, the claim handler had left their employment and so the evidence wasn't picked-up or assessed. I've seen a copy of an email dated 26 September 2023 which asked for the evidence to be resent to the claims address, followed by a further chase – which referred to Miss S being very distressed.

Again, it isn't entirely clear when the information was received from the GP. What is clear is that by 8 November 2023 – the date the final response was issued – Scottish Friendly still hadn't made a claims decision. And it seems to me that Scottish Friendly did make more than one error when it handled this claim. First, it didn't include details of Miss S' key duties in the initial report request document. And secondly, Scottish Friendly failed to provide the GP surgery with the correct email address for the sending of additional evidence, resulting in a foreseeable and avoidable delay in identifying and reviewing the information. Nor is it clear why even as late as November 2023, Scottish Friendly still hadn't been in a position to make a claims decision.

By Scottish Friendly's own account to the GP, this situation was causing Miss S a great deal of distress. She wasn't working and she said she wasn't able to pay her bills. So the prompt assessment of her claim is likely to have been very important to her. Instead, as I've explained, I think Scottish Friendly caused some periods of unnecessary and avoidable

delays in its handling of Miss S' claim and I think had things gone as they should, it would have been in a position to make a claims decision a few weeks sooner than it did. So I think Scottish Friendly should pay Miss S compensation to reflect the material trouble and upset I think its claims handling caused her. I agree with our investigator that a total award of £200 (less any compensation it's already paid) is fair and reasonable to reflect the likely impact of its errors on Miss S.

I'd add that I don't think the overall outcome of the claim itself should determine whether or not compensation should be paid for this complaint. This particular complaint concerns the delays in Scottish Friendly assessing Miss S' claim. That is the complaint point I've considered and I've set out above why I don't think Scottish Friendly handled the claim as it should have done. So I'm awarding compensation for this particular complaint irrespective of whether or not the claim is ultimately found to be payable.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint.

I direct Scottish Friendly Assurance Society Limited to pay Miss S total compensation of £200 (less any compensation it's already paid her).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 17 April 2024.

Lisa Barham
Ombudsman