

## **The complaint**

Mr K has complained that Covea Insurance plc declined a claim for unemployment that he made on his credit card payment protection insurance policy.

## **What happened**

Mr K lost his job in March 2023 and so made a claim on the policy. However, it was declined by Covea on the basis that his unemployment was the result of his own misconduct, which is not covered under the policy terms.

Our investigator thought that Covea had acted reasonably in declining the claim. Mr K disagrees with the investigator's opinion and so the complaint has been passed to me for 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.

I've carefully considered the obligations placed on Covea by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Covea to handle claims promptly and fairly, and to not unreasonably decline a claim.

Mr K's position is that the specific reason for his employment being terminated was 'Some other Substantial Reason' (SOSR). He has provided correspondence relating to the SOSR hearing and his dismissal letter. This is distinct from the disciplinary process of a misconduct hearing. Mr K received pay in lieu of notice, which he would not have received had he been summarily dismissed due to misconduct.

The matter under consideration by the SOSR panel was whether there had been an irretrievable breakdown of trust and confidence between Mr K and his employer. However, that breakdown in the employment relationship is noted as being due to the language and behaviours that Mr K had demonstrated. Amongst other things, the panel concluded that:

- Examples of Mr K's language and behaviour were extreme, highly inappropriate and distressing to other staff.
- The contents of an email he sent were highly inappropriate and Mr K remained unaware of that and that his actions could have a negative impact.

It is not my role to look at the rights or wrongs of Mr K's employer's decision to terminate his employment. The matter at hand is whether it was reasonable for Covea to decline the claim.

Looking at the policy wording, it states:

*'What is not covered by Unemployment Insurance?*

*We will not pay Unemployment benefit if:*

*ii) You ceased to be Employed as a result of Your misconduct'*

His employer used the mechanism of a SOSR hearing to remove Mr K from his post, rather than using its Conduct and Capability policy. But that is not to say there was no misconduct involved. Based on the available evidence, I'm satisfied that it was fair for Covea to conclude that Mr K had engaged in behaviour that could reasonably be categorised as misconduct. And that misconduct was a significant contributing factor in the employer's decision to terminate his contract. Therefore, overall, I find that Covea acted reasonable in concluding that his unemployment was the result of his own misconduct.

Mr K is taking his former employer to an employment tribunal. Covea has said that, if the outcome of the tribunal goes in Mr K's favour, then it will look again at the claim. I also consider this to be fair and reasonable.

Therefore, whilst I know it will be disappointing to Mr K, I'm unable to conclude that Covea did anything wrong in declining the claim.

### **My final decision**

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 June 2024.

Carole Clark

**Ombudsman**