

The complaint

Mr S has complained that Helvetia Global Solutions Ltd ('Helvetia') unfairly declined his claim.

What happened

Mr S bought an income protection insurance policy with unemployment cover in March 2023, underwritten by Novus Underwriting Limited, on behalf of Helvetia.

He received notification of redundancy in early July 2023 and made a claim in October, the day after he was made redundant.

Helvetia declined the claim as it said there were news articles in June 2023 which talked about the need for making redundancies and that the CEO had said staff had been made aware. Helvetia contacted Mr S' employer but it declined to provide any additional information. So Helvetia concluded that as Mr S was aware there was a risk of redundancy in June 2023, as mentioned in the news articles, this fell within the initial 120-day exclusion period.

Mr S complained and unhappy with Helvetia's response, referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Helvetia had done anything wrong.

Mr S disagreed and so the case has been passed to me for a final 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

- I have considered everything Mr S has said carefully and in detail, even if I don't explicitly refer to something he has said in my decision. I will instead focus on what I consider to be key to my conclusions.
- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.
- An insurer has to show an exclusion applies if it is declining the claim as a result of an exclusion.
- Under section three, unemployment benefit, the policy confirms the following is not covered: *"...where during the initial exclusion period:...you are made aware that there is a risk you could be made unemployed even if the formal notification of your unemployment was issued outside of this period."*

- I have seen the news articles from June 2023 which confirm the company was cutting 90 jobs, about 5% of its employee base. Additionally, the CEO is quoted as saying that he had announced layoffs in the previous week. The articles were published within the initial 120 day exclusion period.
- Mr S says he wasn't aware of these articles and didn't receive an email from the CEO as mentioned above. Helvetia contacted Mr S' employer to ask whether staff received an email in June but the employer refused to provide further information.
- On a balance of probabilities, it is likely that Mr S did receive communication from his employer about layoffs. The articles from June are clear about this. I don't think it was unreasonable for Helvetia to reach this conclusion in the absence of any further information to confirm otherwise from Mr S' employer.
- Additionally, Helvetia has said it is willing to consider any further information Mr S or his employer provide which I think is reasonable. But based on the information contained in the news articles from June 2023, I don't think the claim was declined unfairly.
- I appreciate Mr S will be disappointed with my decision, but I don't think Helvetia has done anything wrong. So I can't fairly ask it to do anything different.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 May 2024.

Shamaila Hussain
Ombudsman