

The complaint

Mr I complains about the decision by Helvetia Global Solutions Ltd to turn down an unemployment claim made under his income protection policy.

What happened

Mr I held unemployment cover with Helvetia under his income protection policy. The policy started on 8 September 2023, and Mr I was employed at this time. In December 2023, the project Mr I was working on for his employer ended. He took sabbatical leave from his employment, and was due to return in March 2024. Unfortunately, Mr I's employment was terminated in March 2024 as his employer didn't have a suitable position available for him following the end of his sabbatical.

Helvetia considered a claim made by Mr I, but turned this down. It thought Mr I had been made aware there was a risk he could be made unemployed within the initial exclusion period of the policy starting, which meant the claim wasn't payable. Unhappy with this, Mr I brought a complaint to this service.

Our investigator didn't recommend the complaint be upheld. He thought Helvetia's claim decision had been reasonable.

Mr I didn't accept our investigator's findings, and asked for an ombudsman's decision. He said the purpose of his sabbatical was to pursue academic and professional goals, and this wasn't due to a lack of availability of work. The matter has therefore 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.

The policy has the following exclusion:

'What is not covered

...

*c. Claims 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.'***

The policy confirms the initial exclusion period is 120 days immediately following the policy start date. So for Mr I, this was 8 September 2023 to 6 January 2024.

Mr I's employment ended in March 2024, which was after the initial exclusion period had ended. However, I think it was reasonable for Helvetia to conclude that Mr I was made aware during the initial exclusion period there was a risk he could be made unemployed. I'll explain why.

Mr I's former employer was asked by Helvetia the date that Mr I was first aware his job was at risk. The former employer said:

'Employee first informed in December 2023 that we had no work for him, employee took sabbatical to give business time to find suitable work but unfortunately nothing materialised by March 2024 and we therefore had to terminate his employment.'

After our investigator issued their findings, Mr I provided a further statement from his former employer. This said that he had requested a sabbatical to focus on his studies between late December 2023 and March 2024, and the request was approved.

It's not in dispute that Mr I requested a sabbatical, though the evidence from his former employer is that he did so because there wasn't any work available for him.

I've also read the sabbatical leave agreement dated 13 December 2023 (signed by Mr I on 21 December 2023). This says the sabbatical would begin on 21 December 2023 and would end on 19 March 2024. And that Mr I would retain continuity of employment provided he return to work following his sabbatical. It also says:

'No guarantee can be given that a suitable position will be available for you at the end of your sabbatical leave. If we are unable to find a suitable role for you on your return, your employment will terminate...'

Based on the evidence I've seen, I think it's more likely than not that Mr I would have been aware in December 2023 (during the initial exclusion period) that there was no work available for him after the project he was working on had ended. And I'm satisfied he knew that there would only be continuity of his employment if he returned to work after the sabbatical, and that if a suitable position couldn't be found for him at that time, then his employment would be terminated.

I recognise my decision will disappoint Mr I, but I agree with our investigator that Helvetia turned down the claim reasonably, and in line with the policy terms.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 14 March 2025.

Chantelle Hurn-Ryan
Ombudsman