

The complaint

Mr T is unhappy that ReAssure Limited has declined a claim he made on his emergency cash cover and income replacement policy.

What happened

Mr T has a cash cover and income replacement policy. He claimed on the policy for total and permanent disability when he lost his sight due to illness.

ReAssure declined the claim as they didn't think the relevant policy definition was met. Mr T complained to ReAssure but they maintained their decision to decline the claim was fair.

Unhappy, Mr T complained to the Financial Ombudsman Service. Our investigator looked into what happened and upheld the complaint. In summary, he didn't think that ReAssure had fairly concluded Mr T had failed to meet the policy definition.

ReAssure didn't agree and asked an ombudsman to review the complaint. They explained why they didn't think Mr T's functionality was affected to the extent that the policy definition was met. Mr T said he wanted the ombudsman to award compensation and didn't think the policy definition was fair. He also highlighted how his disability impacted on his ability to carry out specific activities. So, the complaint was referred 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 ReAssure has a responsibility to handle claims promptly and fairly. And, they shouldn't reject a claim unreasonably.

The policy terms and conditions do cover total and permanent disablement. The terms say:

“[The insurer] will pay this benefit if, as a result of accidental bodily injury or illness arising during the term of the Policy, an insured person is, in the opinion of a specialist consultant:

- totally unable to perform any 4 of the following activities without the help of another person or the use of special devices or equipment [...]

Dressing – the ability to put on and take off all necessary items of clothing.

Washing and bathing – the ability to wash or bathe in order to maintain personal hygiene.

Eating and drinking – the ability to ingest food and drink which has been prepared for consumption.

Preparing food – the ability to prepare food and drink as the basis of normal regular

meals.

Using the toilet – the ability to get on and off the toilet and maintain personal hygiene.

Mobility – the ability to move from one room to another, or to get in and out of a bed or chair.”

I’m partly upholding Mr T’s complaint as I don’t think ReAssure reasonably concluded Mr T failed to meet this definition. I think the overall evidence indicated, on balance, that Mr T was unable to perform any four of the activities without the help of another person or the use of special devices or equipment. I say that because:

- The assessor noted that Mr T was able to dress himself. However, Mr T reported difficulties with this, such as sometimes getting clothes on back to front. The assessor commented on the clothes being neatly organised. However, I think this needs to be considered in the wider context of Mr T’s testimony. He’s explained a relative helped him to organise clothes when she visited. I’ve found his testimony on this point to be plausible and persuasive. So, I think he does benefit from the help of another person to be able to dress himself correctly.
- Mr T relies heavily on using his microwave and can only make very simple or pre-prepared meals such as soup or ready meals. He relies on a large magnifier to help him as well as liquid level indicators. ReAssure’s own expert assessment recommended that a ‘talking microwave’ would be beneficial for him. I don’t think it’s fair and reasonable to conclude Mr T can make ‘normal regular meals’.
- The functional assessment made detailed comments on Mr T’s ability to use the toilet and the difficulties that he had, including his ability to complete this activity. The assessor also recommended Mr T may benefit from an assessment by the adult social care team as he would also benefit from a regular cleaner. Based on the comments in the report I don’t think ReAssure fairly concluded that Mr T was able to maintain personal hygiene as required by the policy definition.
- Mr T uses a cane, has adapted the lighting and rearranged his home. The assessor saw Mr T in his own home, with these adaptations made. I don’t think it’s fair reasonable to conclude that Mr T can move within his home from one room to another without the use of special devices or equipment.
- Mr T also has to make adjustments when washing and bathing, such as placing items in coloured bottles. Mr T was noted to have to use bathroom furniture to assist himself in getting into the shower. The expert report recommended Mr T may benefit from a grab rail in the shower.
- I’ve considered ReAssure’s comments about the definition of ‘specialist equipment’. I haven’t found their representations to be persuasive on this point. The policy doesn’t define ‘special devices or equipment’. I don’t think it’s fair and reasonable to retrospectively apply a definition prepared by ReAssure’s assessors to the policy. It was open to ReAssure to define this in the terms, and it didn’t. And, in any event, where there is ambiguity in the policy terms, I think it’s fair and reasonable that they are interpreted in Mr T’s favour.
- I also think all the above evidence needs to be seen in the wider context of the other available evidence. Mr T was certified as ‘severely sight impaired (blind)’ by an ophthalmologist in 2020. He can read two to three words on a page and ReAssure’s

own assessor made several recommendations about additional support Mr T may benefit from, including an adult social care assessment.

- I appreciate that Mr T would like me to award compensation for the distress and inconvenience he's been caused. However, I don't think that's the fairest way to resolve this complaint. ReAssure acknowledges Mr T was given some information about the policy benefits which wasn't correct, but this was identified and rectified within a reasonable timescale. So, I don't think it would be fair and reasonable to direct ReAssure to pay compensation in the circumstances.
- I'm aware that Mr T feels the assessor didn't accurately describe his circumstances. However, the assessor was entitled to give her opinion in relation to her observation of Mr T's functionality. And, ReAssure is generally entitled to rely on that recommendation. However, in the specific circumstances of this case I think there were several pieces of evidence that, when considered in the round, indicated Mr T meet the relevant policy definition of total permanent disablement was met.

Putting things right

ReAssure needs to reassess the claim on the basis that Mr T met the relevant policy definition of total and permanent disablement. If Mr T is unhappy with the settlement of the claim, he may be able to make a further complaint to the Financial Ombudsman Service.

My final decision

I'm partly upholding Mr T's complaint and direct ReAssure Limited to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 January 2025.

Anna Wilshaw
Ombudsman