

## **The complaint**

Miss P is unhappy with the way Vitality Life Limited reviewed her claim and delayed benefit payments under her policy.

## **What happened**

Miss P has an income protection policy underwritten by Vitality. She has been receiving benefits under the policy since she made a claim in 2021.

Our service previously looked at a complaint in October 2023 about delayed benefit payments which we upheld and recommended Vitality pay £750 compensation.

Vitality then carried out a review of Miss P's claim, which led to her benefit payments for November 2023 and December 2023 being delayed until January 2024. Her benefit payments in March 2024 and July 2024 were also delayed.

Unhappy with the delayed benefit payments and the way Vitality carried out their review, Miss P referred another complaint to this service.

Vitality offered £450 compensation for the distress and inconvenience they caused. Our investigator looked into what had happened and said he thought £450 was a reasonable offer and in line with this service's award limit guidelines.

Miss P disagreed. In summary she said £450 doesn't fully acknowledge the impact of Vitality's errors. She is continually worried about late payments, and this is severely impacting her mental health. She said her August 2024 benefit payment was also delayed.

The case has now 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.

The relevant rules and industry guidelines say Vitality has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

As our investigator has already explained, this decision focuses solely on the events from November 2023 to 31 July 2024.

Vitality explained they needed to review Miss P's claim in November 2023 because they needed to investigate her position as a director in her company. I think it was reasonable for them to conduct this investigation to establish if Miss P is receiving dividends from her company, because this would affect the amount of benefit she is entitled to under the policy.

I've reviewed the information Vitality requested, and although I appreciate it would have taken a long time to gather what was asked for, I'm satisfied it was reasonable for Vitality to

request what it did, and I don't think any of it was unfair or unnecessary in the circumstances.

Vitality then paid Miss P's November and December claim payments, on 23 January 2024. But there are areas where I think they should have done better:

- The way in which Vitality requested the information from Miss P in various stages, rather than all at once, wasn't helpful. I understand this is because the first information Miss P provided, raised new questions for Vitality, and it is of course fair for them to have the opportunity to investigate this further. But they would have saved Miss P some time and effort by requesting everything they needed in the first instance and avoided some of the delays. It's also important that Vitality kept Miss P updated and informed, but she was left confused about next steps and receiving her benefit. So I've taken account of Vitality's poor communication before she received these benefit payments in January 2024.
- Vitality also asked to review Miss P's GP records, to check that she still met the definition of incapacity and was still entitled to receive benefit under the policy. But unfortunately, they initially requested the records from the wrong practice. I appreciate this would have been frustrating for Miss P and it caused a delay of around two weeks, so I've also taken this into consideration.
- Vitality delayed two more payments, for February and June 2024. These appear to be due to their continued review of Miss P's claim. It's reasonable for Vitality to carry out further reviews on ongoing claims to ensure Miss P is still eligible for benefit. But it's unfair when these reviews cause delays to her receiving money she may be relying on.
- Miss P has explained she's had to borrow money from family and friends so she can pay her bills on time, and the stress of not knowing if or when she'll receive payment has put a huge strain on her physical and mental health. As above, it's important Miss P is kept updated and informed about her claim and benefits payments. Vitality has a responsibility to try and avoid any additional distress, so I've also thought carefully about the impact of Vitality missing two further payments.

I've carefully considered everything, and on balance I'm satisfied £450 is reasonable compensation for the impact caused to Miss P during the period set out above.

I've taken into account our award on Miss P's previous complaint for Vitality's multiple delayed payments over a two year period, and I think £450 is reasonable compensation for the distress and inconvenience caused to Miss P for Vitality's poor communication and the delayed payments from November 2023 to July 2024.

### **Putting things right**

Vitality Life Limited need to put things right by:

- Paying Miss P £450 in compensation for the distress and inconvenience caused by their poor communication and two delayed payments from November 2023 to July 2024.

### **My final decision**

For the reasons set out above I uphold this complaint against Vitality Life Limited and direct them to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 27 January 2025.

Georgina Gill  
**Ombudsman**