

The complaint

Mr M has complained that HSBC Life (UK) Limited declined his income protection claim and has also complained about the service he received.

What happened

The background to this complaint is well known to both parties, so I won't repeat all the details again here. In summary Mr M went off work in August 2023. His group income protection policy will provide a cover in the event of absence from work due to illness or injury after a deferred period of 26 weeks. HSBC declined Mr M's claim as it didn't conclude he met the policy definition of incapacity. It did offer compensation for the service provided.

Unhappy Mr M referred his complaint here. Our investigator didn't recommend that it be upheld. They didn't conclude that Mr M met the policy definition of incapacity throughout the deferred period.

Mr M appealed. He did indicate that he hoped the ombudsman would contact him before a decision was made, but he was advised that an ombudsman would not call prior to issuing a final decision. This is because we are independent and impartial and to enter into a one sided dialogue would appear contrary to this impartiality. However Mr M was advised that he was able to submit any submissions or evidence regarding the merits of his complaint for consideration, but has not done so.

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 summarised the background to this complaint and some sensitive details, no discourtesy is intended by this. Instead, I'll focus on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I recognise that Mr M will be disappointed by my decision, and I'm sorry that it doesn't bring him welcome news, but I agree with the conclusion reached by our investigator. I'll explain why.

The relevant regulator's rules say that insurers mustn't turn down claims unreasonably. I've taken the rules into account, together with other relevant considerations, such as industry principles and guidance, the policy terms and the available evidence, to decide whether I think HSBC treated Mr M fairly.

I've firstly considered the policy terms and conditions, as these form the basis of the contract Mr M has with HSBC.

The policy sets out that Income Protection Benefit is payable when: *The member is unable, by reason of illness or injury, to perform the material and substantial duties of their own occupation and is not following another occupation. Material and substantial means duties that are normally required for and/or form a significant and integral part of the performance*

of the occupation and which cannot be reasonably omitted or modified by the member or their employer.

Illness or injury is defined as: The member is unable, by reason of illness or injury, to perform the material and substantial duties of their own occupation and is not following another occupation. Material and substantial means duties that are normally required for and/or form a significant and integral part of the performance of the occupation and which cannot be reasonably omitted or modified by the member or their employer.

The policy also specifically sets out what is not considered to be illness or injury:

a) Stress or Workplace stress, or

b) Capability issues rendering the Member unable to meet the requirements and demands of their Occupation, which were either present at the time of initial employment or were identified at any later date, or.

c) Any Life event or lifestyle choice which is deemed by HSBC Life, either directly or indirectly, to be the main factor in affecting the Members ability/desire to be present at work, or to seek and follow appropriate treatment or a rehabilitation plan or is preventing the Member from performing their Occupation in any other way, or

d) Any non-medical cause responsible either directly or indirectly for the Members absence from work, as identified by HSBC life, including but not limited to disciplinary matters, grievances or other workplace issues, or

e) Absence from work to undergo surgery or other treatment which is deemed cosmetic in nature or completely unrelated to any verified illness or injury or symptoms thereof, or

f) Any other reason for the Members absence that HSBC may become aware of that is completely unrelated to any demonstrated medical symptoms or condition.

The evidence shows that Mr M's absence from work was triggered by work related issues, in particular the requirement to return to work in the office 60% of the time. This was against a background of Mr M's understanding that he would be allowed to work from home indefinitely.

It is clear that Mr M has a longstanding mental health condition, and I can accept that this requirement (and what he felt was his employer reneging on an agreement) added to his anxiety. I note that he also had a personal tragedy in 2019.

Mr M was referred to Occupational Health by his employer. In November 2023 the Occupational Health Manager wrote a report. They said that Mr M did not wish to return to office working but were unable to suggest any adjustments that would expedite his return. They confirmed that at that time Mr M was unfit for work due to anxiety. A review was planned for December 2023, but I don't know if it took place and haven't seen any further evidence from Occupational Health. A report by a community psychiatric nurse in January 2024 discharged Mr M from the service, it said Mr M was aware of routes to services should his mental health deteriorate. The report didn't comment specifically on a return to work.

However with regard to working at home and accommodating Mr M's mental health and anxiety, it is possible that adjustments could have been made by his employer – that is a matter between the employer and Mr M.

Although Mr M was signed off work by his GP surgery, I'm not persuaded that HSBC treated

him unfairly by concluding that he didn't meet the policy definition of incapacity. I say this because the evidence overall doesn't show that the reason Mr M was unable to perform his role was because of illness. Additionally, his policy specifically states that *any non-medical cause responsible either directly or indirectly for the Members absence from work* is not considered to be illness.

In the circumstances therefore I don't find that HSBC treated Mr M unfairly or contrary to his policy terms by declining his claim for income protection benefit when it did. If Mr M does have any further evidence that he feels is supportive of his claim, he can submit this to HSBC for its consideration.

HSBC offered £2000 as a goodwill payment for service issues that Mr M experienced, equivalent to six months benefit. I note that some calls Mr M had weren't recorded, and Mr M was caused inconvenience when he wasn't advised of the outcome of his claim. I find that the sum offered was very fair.

My final decision

For the reasons given above I don't uphold Mr M's complaint about HSBC Life (UK) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 February 2025.

Lindsey Woloski
Ombudsman