

## **The complaint**

Mr S is unhappy with the way Zurich Assurance Limited has handled a claim made on his life assurance policy which included waiver of premium benefit.

## **What happened**

Mr S made a claim for the waiver of premium benefit in 2024 as he says he has been unable to work since 2015.

Zurich declined to backdate the claim for waiver of premium. However, it did accept the claim from the date of notification (in March 2024) and said it would refund any premiums Zurich received after this date.

Unhappy, Mr S complained to Zurich and after it maintained its position, he brought a complaint to the Financial Ombudsman Service.

Our investigator looked at what happened and partially upheld the complaint. They concluded that when Zurich considered whether to backdate the claim, it didn't consider the medical records from the period when Mr S was living abroad. Our investigator recommended Zurich to reassess the claim taking into account those medical records.

Zurich disagreed so this complaint has been passed to me to consider everything afresh 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.

Just so everyone is clear, I'm only considering whether Zurich has acted fairly and reasonably when handling the claim made for waiver of premium.

I know Mr S is also unhappy with the information he was given when the policy was sold to him. However, from what I've seen, I'm persuaded that Zurich didn't sell the policy to him. So, if he remains unhappy with the sale of the policy, Mr S will need to raise his concerns with the seller of the policy in the first instance.

Zurich has an obligation to handle claims fairly and promptly.

Waiver of premium benefit is included with Mr S' policy. The policy terms say:  
...we'll make your payments to the plan if you are incapacitated and can't perform your own occupation because of illness or injury for longer than six months (the deferred period)...you must be totally incapacitated from doing the main duties of the job, or jobs, you were doing at the time of the injury or start of the illness.

The policy terms go on to say:

You must tell us if you have become incapacitated within six months of this happening. If you don't tell us within this time, we need not backdate your payments to before the date when we were told.

The parties agree that Mr S didn't make a claim under the policy for many years; long after the six months set out in the policy terms.

When acknowledging Mr S contacting it about the claim, Zurich said in its letter dated March 2024 that:

I need to make you aware that as there has been late notification on this claim, in line with the T&C's we may only be able to accept your claim from the date we were notified. However, if after our assessment has been completed, we feel we can accept from an earlier date then we will let you know.

In its letter to Mr S dated May 2024, Zurich said it had received and reviewed information received from his GP and had everything needed to make a decision of the claim.

I appreciate what Zurich says, that to assess whether Mr S met the policy definition of incapacity throughout the period in question, it's not always possible to retrospectively obtain the information needed to consider this. And that had it been notified of a claim much earlier and in 2015, it would've been able to request information from the GP at the time or arrange for him to be assessed by an independent examiner to understand his working ability.

However, Zurich did also say that it would assess the information received to see whether the claim could be accepted from an earlier date. It also says in its May 2024 letter that it had obtained copies of hospital letters from the UK and the country he was living in for a number of years after 2015 and this didn't provide much information in relation to his symptoms and restrictions that prevented him from being able to work. It also says its chief medical officer had concluded that each person responds differently to major surgery like Mr S had and there were few and infrequent attendance with his GP since 2015.

I've considered Mr S' medical records since 2015 from UK medical establishments. And, based on that information alone, I'm satisfied that Zurich has fairly concluded that there isn't enough to prove that the definition of incapacity was met and based on that information, it hasn't backdated the claim and has only accepted it from March 2024 (the date of notification).

However, in its final response letter dated June 2024, Zurich also says that it hadn't looked at Mr S' medical records from the time he was abroad. As this covered a period of around four years, I don't think it's fair and reasonable for Zurich not to consider Mr S' medical records from the time he was abroad when considering the issue of whether he met the incapacity definition and whether to backdate the claim, particularly given the medical issues Mr S experienced whilst abroad.

### **Putting things right**

I direct Zurich to reconsider the waiver of benefit claim in light of the medical records from when Mr S was living abroad (after 2015), to assess whether it can backdate the claim for waiver of premium benefit for any time before it was notified of the claim in March 2024. It should then promptly notify Mr S of its decision.

**My final decision**

I uphold this complaint to the extent set out above and direct Zurich Assurance Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 February 2025.

David Curtis-Johnson  
**Ombudsman**