

The complaint

Mr T is unhappy that Wesleyan Assurance Society declined claims made on various income protection insurance policies he had the benefit of (but have now ended).

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my 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.

Relevant policy terms

Policy A (ending 24-0001)

The insurance schedule reflects that the payment of benefit will start after 13 consecutive weeks of incapacity of the insured and will continue throughout the incapacity in accordance with and subject to the terms of the policy.

Under the policy, incapacity means because of sickness or accident, the insured is unable to carry out any of the duties of the ordinary occupation stated in the Schedule.

The insurance schedule reflects the ordinary occupation to be 'medical practitioner'.

The policy provides for a proportionate benefit if the insured is incapacitated but takes up another occupation. In these circumstances a reduced benefit will be paid.

Policy B (ending 24-0002)

The insurance schedule reflects that the payment of benefit will start after 26 consecutive weeks of incapacity of the insured and will continue throughout the incapacity in accordance with and subject to the terms of the policy.

Under the policy, incapacity means because of sickness or accident, the insured is unable to carry out any of the duties of the ordinary occupation stated in the Schedule.

The insurance schedule reflects the ordinary occupation to be 'medical practitioner'.

The policy provides for a proportionate benefit if the insured is incapacitated but takes up another occupation. In these circumstances a reduced benefit will be paid.

Policy C (ending 24-0003)

Deferred period is defined in the policy terms as: the period from the start of your incapacity, for which no benefit is payable. The schedule of insurance says the deferred period is 13 weeks.

The policy goes on to say: if we accept a claim we will start to pay benefit from the end of the deferred period. No benefit will be paid for incapacity during the deferred period itself.

Incapacity means: because of sickness or accident you are totally unable to carry out the essential duties of your normal occupation and you are not doing any other work.

Essential duties are those duties which cannot reasonably be omitted without affecting your ability to carry out your normal occupation.

Mr T's normal occupation is reflected to be medical practitioner on the insurance schedule. Policy C also provides for a proportionate benefit. It says:

If you recover from sickness or accident but are not fit to go back to work in your normal occupation, we will pay proportionate benefit provided that:

- because of sickness or accident, you are totally unable to carry out the essential duties of your normal occupation.
- you take up a different occupation.
- your income in your new occupation is lower than your income before incapacity.

Did Wesleyan act fair and reasonably?

Wesleyan has an obligation to handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

I know Mr T will be very disappointed, but I'm satisfied that Wesleyan has fairly and reasonably declined claims made under policies A, B and C. I'll explain why.

- Based on the information available to me, I'm satisfied that Wesleyan has reasonably concluded that Mr T wasn't incapacitated as defined by the definitions relevant to policies A, B and C for a period of 13 weeks (or in the case of policy B, a period of 26 weeks).
- Under policies A and B, to be considered for a proportionate benefit Mr T must be incapacitated (so unable to carry out any of the duties of the ordinary occupation) and must take up another occupation. However, I'm satisfied from the evidence provided that Mr T didn't take up another occupation and was carrying out duties relating to the ordinary occupation. So, I'm satisfied Wesleyan has fairly concluded that he isn't entitled to a proportionate benefit under policies A and B.
- I'm also satisfied that Wesleyan fairly concluded that Mr T isn't entitled to a proportionate benefit under policy C. Mr T has identified some aspects of the normal occupation he was unable to do because of illness / injury. However, to be considered for the proportionate benefit under policy C, Mr T must be totally unable to carry out the essential duties of the normal occupation and he must take up a different occupation. When considering this point, I've taken into account the specific role recorded for Mr T on his completed application forms for the policies.
- Although there were some parts of the normal occupation he couldn't do (and as a result he lost a significant amount of income from his private practice), I'm not persuaded that this meant he'd taken up a different occupation or wasn't able to carry

out the essential duties of the normal occupation. I've seen nothing which convinces me that by not doing some aspects of the role affected his ability to carry out his role more broadly or that he'd taken up a different occupation altogether.

- For completeness I'll add that I'm satisfied that Mr T wasn't entitled to the rehabilitation benefit under any of the policies. This benefit will only be considered if Wesleyan has started to pay the benefit for a claim and Mr T went back to work in the normal occupation on reduced hours. However, I've seen nothing which persuades me that Mr T had been incapacitated for the relevant deferred period of each of the policies.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 March 2025.

David Curtis-Johnson
Ombudsman