

The complaint

Miss G is unhappy with the way Zurich Assurance Limited handled a claim for the payment protection benefit made on her mortgage and family protector insurance policy, including declining the claim and delays in assessing the claim.

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.

Zurich has an obligation to act fairly and promptly when handling an insurance claim. And it mustn't unreasonably decline a claim.

The policy terms and conditions say to successfully claim the payment protection benefit:

You must be able to prove to our satisfaction that the Relevant Life Assured is incapacitated and is unable to perform no part of the occupation in which [she] was engaged immediately before he became incapacitated.

Incapacity is defined as:

An injury or illness which causes the Relevant Life Assured to be able to follow no part of [her] usual paid job.

Has Zurich fairly and reasonably declined the claim?

When making a claim, it's for Miss G to show that she has a valid claim. In this case, that means establishing that she was incapacitated as defined in the policy terms.

I'm not a medical expert. So, I've relied on all the evidence available to me when considering whether Zurich has acted fairly and reasonably.

I know Miss G will be very disappointed but for reasons I'll go on to explain, I'm satisfied Zurich has fairly and reasonably declined the claim for the payment protection benefit.

- I'm satisfied Zurich has carried out a fair and reasonable review of the medical evidence when taking the decision to decline the claim.
- I'm satisfied that Zurich has fairly concluded that Miss G didn't meet the definition of incapacity. Although Miss G wasn't working, there's little in her GP records and other medical consultations to show how her functionality was impacted during the deferred period or why she couldn't carry out any part of her job with adjustments.

The medical records reflect Miss G's reporting of how her illness / injury impacted her.

- Zurich referred Miss G for an independent functional capacity evaluation (FCE) which was carried out by an experienced registered chartered physiotherapist. I think it acted fairly and reasonably by doing so. The report from early 2024 concludes: "based on the clinical findings during today's assessment, there does not appear to be a level of underlying pathology that would be expected to prevent Miss G carrying out work activities of a sedentary physical demand level consistent with the majority of her work tasks in her role" (with some adjustments. The report sets out the reasons for this conclusion.
- I know Miss G is unhappy with how some of the comments made by the physiotherapist at the assessment and some questions asked. However, Zurich says it put these to the physiotherapist and I have no reason to doubt that it did. Besides, I don't think the concerns raised by Miss G mean that the assessment and overall conclusions weren't fair. Or that it was unreasonable for Zurich to rely on the contents of the report when concluding that Miss G hasn't established that she was incapacitated as defined by the policy.

Delays assessing the claim

It took around nine months from the date Miss G contacted Zurich about her claim for it to assess the claim and decline it. That is a long time.

Zurich accepts that there were some unnecessary delays in assessing the claim. Looking at the timeline provided by Zurich, I'm satisfied that some of the delays were outside of its control.

Zurich has apologised for the delays it caused and paid Miss G £349.35 (representing around three months' worth of premiums) to reflect the trouble and upset that was caused. I accept that the delays caused by Zurich would've been frustrating and upsetting for Miss G. I'm satisfied the compensation paid by Zurich fairly reflects the impact on her.

My final decision

I don't uphold Miss G's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 10 March 2025.

David Curtis-Johnson
Ombudsman