

The complaint

Mrs H complains that Phoenix Life CA Limited trading as Sun Life Financial of Canada (SLFC) has turned down a critical illness claim she made on a Lifestyle Security Plan. Mrs H also believes that the plan was mis-sold to her because she says she was led to believe that all critical illnesses would be covered by it.

SLFC seems to have taken responsibility for the actions for the financial business which originally sold Mrs H the policy. So for ease of reading, I'll refer to SLFC throughout this decision.

What happened

In March 1994, Mrs H took out a Lifestyle Security Plan through SLFC's adviser. The policy provided, amongst other things, cover for a list of specified critical illnesses. The policy term ran for 30 years. Originally, the plan provided cover of £35,000, but in 2019, the sum assured was reduced to £14,000.

Unfortunately, Mrs H was diagnosed with Parkinson's Disease and so in March 2023, she made a critical illness claim on the policy.

SLFC turned down Mrs H's claim. That's because it said Parkinson's Disease wasn't one of the specified critical illness which the policy covered.

Mrs H was very unhappy with SLFC's decision and she complained. She also said that the adviser who'd sold the plan had led her to believe that all critical illnesses, except one, would be covered. Therefore, she felt the plan had been mis-sold to her. And she considered that if SLFC wouldn't pay her claim, it ought to refund the premiums she'd paid for the policy, together with interest.

SLFC maintained its claims decision and it also didn't agree that the plan had been mis-sold to Mrs H. So Mrs H asked us to look into her complaint.

Our investigator didn't think SLFC had treated Mrs H unfairly. He didn't think that Parkinson's Disease was one of the critical illnesses SLFC had chosen to cover under the plan. So he thought its claims decision was fair and reasonable. And he also felt that the limited paperwork available from the time of policy sale showed it was most likely that Mrs H had been provided with policy documentation at the time of sale. He considered that the policy terms set out details of the critical illnesses the plan covered.

Mrs H disagreed and therefore, the complaint's 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.

Having done so, whilst I'm very sorry to disappoint Mrs H, I don't think SLFC has treated her unfairly and I'll explain why.

First, I'd like to say how sorry I was to hear about Mrs H's diagnosis with Parkinson's Disease. I understand this has been a worrying and upsetting time for Mrs H and for her family.

It seems to me that there are two key issues for me to decide. First, whether it was fair for SLFC to turn down Mrs H's claim. And secondly, whether I think the plan was mis-sold to Mrs H. I'll consider each point in turn.

Did SLFC handle the claim fairly?

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. I've taken those rules into account, together with other relevant considerations, such as regulatory principles and guidance, the policy terms and the available evidence, to decide whether I think SLFC handled Mrs H's claim fairly.

I've first considered the terms and conditions of the policy, as they form the basis of the contract between Mrs H and SLFC. The policy booklet sets out a list of the eight 'CRITICAL ILLNESSES COVERED' by the policy, as follows:

- heart attack
- stroke
- cancer
- benign brain tumour
- kidney failure
- terminal illness
- paralysis
- motor neurone disease.

As the investigator explained, we won't generally tell insurers and life assurers what risks they should and shouldn't cover. In this case, it was for SLFC to decide which critical illnesses it wished to provide cover for under the terms of this particular plan. And in my view, the policy terms make it clear enough that SLFC provides critical illness cover if a policyholder is diagnosed with one of the eight specific conditions I've listed above.

Therefore, while I appreciate Mrs H has been diagnosed with Parkinson's Disease - a debilitating and degenerative condition - I don't think I could reasonably find that SLFC acted unfairly when it concluded that Parkinson's Disease wasn't a critical illness covered by the contract.

On that basis then, I don't think it was unfair or unreasonable for SLFC to turn down Mrs H's critical illness claim.

The sale of the policy

As it seems Mrs H was advised to take out the policy, SLFC needed to ensure that its adviser carried out an assessment of her demands and needs and made a recommendation which was suitable for her. The adviser also needed to give Mrs H enough clear information so she could decide if the policy was right for her. Given Mrs H was sold the policy in 1994, there's little surviving - good quality - paperwork from the time of sale to show what Mrs H was told and advised. So I've considered the evidence I do have, including Mrs H's testimony.

It appears Mrs H didn't have critical illness cover in place. As the policy provided potential

benefits for a range of conditions, I think it seems she had a need for it. It also appears Mrs H was happy with the policy price. Therefore, I think any recommendation to take it out was likely suitable for her.

Mrs H says that she was led to believe that all critical illnesses would be covered, with the exception of one. It's possible this was the case. But I have to bear in mind that no critical illness policy on the market covers every single serious condition a policyholder might be diagnosed with. So even if Mrs H was given wrong information, I don't think she could have found an alternative policy which provided critical illness cover for all potentially serious medical conditions. And it isn't clear to me that she could have found an alternative policy which covered more critical illnesses at a price she was happy with and which was affordable for her.

I also think it's most likely that Mrs H was provided with a copy of SLFC's policy terms, along with a key features document, which explained the list of critical illnesses the plan covered. So I think she likely had enough information to check whether the plan met her needs. And I'd also add that Mrs H was provided with the benefit of the cover for the 30-year term of the plan, even though she didn't need to make a claim for one of the specified critical illnesses.

On that basis, I don't think I could fairly find that the policy was mis-sold to Mrs H, or that any potential misinformation has caused her to suffer a financial loss I could reasonably direct SLFC to put right. So while I'm very sorry to cause Mrs H further upset, I'm not telling SLFC to take any action.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 11 June 2025.

Lisa Barham
Ombudsman