

## **The complaint**

Mr W complains because Unum Ltd ('Unum') incorrectly declined his income protection insurance claim.

## **What happened**

Mr W is insured under a group income protection insurance policy, provided by Unum.

Mr W made a claim under the policy as he was unable to work due to illness. The claim was declined in January 2024. In February 2024, following an appeal from Mr W, Unum changed its position and accepted the claim.

Mr W complained to Unum about the impact its decision to decline the claim had on him. Unum offered to pay £500 compensation and to reimburse Mr W £50 for the cost of a medical report.

As Mr W remained unhappy, he brought his complaint to the attention of our service.

One of our investigators looked into what had happened and recommended that Unum should pay Mr W a total of £1000 compensation for the distress and inconvenience he experienced. Unum accepted our investigator's recommendations, but Mr W didn't, so the complaint was referred to me to make a decision as the final stage in our process.

After our investigator issued her opinion about Mr W's complaint, Mr W provided new medical evidence which Unum hadn't previously been given the opportunity to consider and comment on (namely, letters from Mr W's GP dated 3 October 2024 and 30 October 2024 and a letter from Mr W's consultant dated 6 November 2024).

In line with the rules that govern our service, I arranged for this new medical evidence to be shared with Unum. I asked Unum to consider increasing its offer of compensation, taking into account the comments set out in the new medical evidence about the impact of its claim decline on Mr W's health.

Unum replied offering to pay Mr W a total of £2000 compensation.

For the avoidance of doubt, this is a total offer of £2000 and includes the £500 which Unum originally offered and has already paid to Mr W. However, this is separate to the £50 which Unum previously refunded Mr W for the cost of obtaining a medical report.

I made my provisional decision about Mr W's complaint in January 2025. In it, I said:

*'I've carefully read all the detailed submissions which Mr W and Unum have provided. Both parties are familiar with the events which have taken place, so I've set out a summary of what happened rather than a lengthy repetition of the background to the complaint. And, reflecting the informal nature of our service as an alternative to the civil courts, I'm not obliged to address every complaint point that has been raised and I won't be doing so. As an*

*independent and impartial service, we don't allow customers or businesses to decide how we deal with a complaint, so I'll be addressing only what I consider to be the key issues.*

*It's not in dispute that Unum incorrectly and unfairly turned down Mr W's claim in January 2024. Unum has accepted this.*

*I understand Mr W is seeking an explanation from Unum about various matters including how the initial claims decision was reached and why Unum stated that various activities were relevant to this claims decision, details of the call that Unum's staff member had with Mr W's partner, details of Unum's staff member's qualifications and confirmation of what feedback and training was given as a result of this complaint.*

*However, I don't think Unum is required to provide any further explanations to Mr W about the reasons for its mistake. Unum looked into and addressed the substance of Mr W's complaint and provided referral rights to our service in line with its regulatory obligations. The Financial Ombudsman Service's role in this case isn't to carry out an investigation into why Unum made the errors it did – it's to decide whether Unum has acted fairly and reasonably in compensating Mr W for the impact of its errors on him.*

*I appreciate Mr W is unhappy with what he views as the limitations of our service's powers, but I can only reach findings and make directions which my statutory remit permits. I cannot seek to impose a fine which punishes Unum or require it to change its internal processes. The Financial Ombudsman Service was set up to resolve individual disputes and it's simply not our role to regulate or seek to effect change in the financial services industry despite Mr W's strength of feeling about the matter.*

*When considering what award of compensation I think is fair and reasonable in the circumstances of this case, I've taken into account our published guidance on the payment of such compensation as well as the medical evidence which Mr W has provided outlining the impact of the situation on him. I've also taken into account the timescale between Unum's incorrect decline of the claim and Unum's reversal of its claims decision. I can only award compensation to Mr W and not to his partner, as Mr W's partner isn't insured under the policy. But I think it's clear that this situation caused Mr W what I would consider to be serious and severe distress and inconvenience, which has had ongoing effects.*

*There's no doubt that Mr W has been through a very hard time, and I wish him well for the future. It's difficult to put a value on the experience which Mr W has had as a result of Unum's actions. I can only seek to compensate Mr W in line with our guidance and in an independent and impartial manner which is fair to both parties involved, without penalising Unum.*

*Overall, having taken everything into account, I'm currently satisfied that the total offer of £2000 compensation which has now been made by Unum is fair and reasonable in the circumstances. If Unum hadn't increased its offer to a total of £2000 compensation then this is the amount I would have directed it to pay to reflect the impact which I think its actions had on Mr W.*

*If any further disputes arise between Mr W and Unum in relation to any future reviews of this claim, then Mr W would need to complain to Unum about the matter in the first instance before bringing a new complaint to the attention of our service.'*

*So, my provisional decision was that I intended to uphold Mr W's complaint and direct Unum to pay the total award of £2000 compensation which it has now offered.*

*Mr W accepted my provisional decision. Unum said it had nothing further to add.*

### **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.

As neither party has provided any new information or additional evidence, I see no reason to change my provisional findings.

### **Putting things right**

Unum Ltd must put things right and do the following:

- pay Mr W the total of £2000 compensation which it has offered for the distress and inconvenience he experienced. This includes the £500 compensation which Unum Ltd has already paid to Mr W.

Unum Ltd must pay the outstanding compensation within 28 days of the date on which we tell it Mr W accepts my final decision. If it pays later than this, it must also pay interest on the outstanding compensation from the deadline date for settlement to the date of payment at 8% simple per annum.

### **My final decision**

I'm upholding Mr W's complaint against Unum Ltd, and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 March 2025.

Leah Nagle  
**Ombudsman**