

The complaint

Mr G has complained that Unum Ltd ('Unum') provided incorrect information relating to his benefit amount.

What happened

Mr G has an income protection policy, underwritten by Unum, which has been in payment for a number of years.

Mr G says he based his decision to leave his employment on the incorrect figures. He was given an incorrect benefit amount by Unum which was included in the settlement agreement with his employer.

Unum looked into his complaint and agreed it had made an error. It offered £250 compensation.

Dissatisfied, Mr G referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Unum's offer of compensation was sufficient for the impact of the mistake. And so she recommended £500 instead.

Unum agreed but Mr G disagreed and asked for an Ombudsman's decision.

And so the case has been passed to me for a final 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.

Having done so, I agree that this complaint should be upheld. I'll explain why.

Both sides accept a mistake was made and that Mr G was provided with an incorrect figure relating to his benefit. So I will focus on what I consider to be fair compensation in this case.

Mr G says he made his decision to leave his employment based on the incorrect figure. Unum did confirm to Mr G's employer that the benefit amount would remain the same. The incorrect benefit amount provided was a lot higher than what Mr G was receiving and so it would have been reasonable to have questioned this. I am not satisfied that Mr G would have done anything differently about his employment in this case if he had been provided with the correct benefit amount to begin with. If he was provided with the correct figures based on the benefit amount he had been receiving, I can't see why that would cause him concern as that is all he would be entitled to under the policy terms.

Having considered the policy terms and the benefit amount Mr G was entitled to, he never would have received the incorrect figure. The figure actually paid is the correct figure, in line with the policy terms and his benefit amount. So I am satisfied Mr G is being paid the correct amount of benefit due to him under the policy.

But I agree that the incorrect amount gave him a false sense of expectation and a loss of expectation when the correct figure was provided. The amounts involved are significant and I don't doubt this mistake caused considerable disappointment and frustration to Mr G. Our award bands can be found on our website and I am satisfied that £500 compensation is reasonable for the impact of Unum's error.

My final decision

For the reasons set out above, I uphold this complaint and direct Unum Ltd to pay Mr G £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask to accept or reject my decision before 18 April 2025.

Shamaila Hussain
Ombudsman