

## **The complaint**

Mr H is unhappy Astrenska Insurance Limited declined his claim.

## **What happened**

Mr H had an income protection policy underwritten by Astrenska.

He left his employment following a difficult time. His employer had raised concerns about his performance - he'd had to attend a formal capability hearing and received a final written warning in relation to this. He agreed to sign an agreement to keep his exit from the company confidential and he received a small settlement figure.

Mr H made a claim on his policy for unemployment. Astrenska declined his claim. They said the decision to leave had been mutually agreed and after disciplinary warnings, so it wasn't covered.

Mr H explained that there wasn't a mutual decision to end his employment. He said he had no choice but to leave in the circumstances. And he had no control over losing his job.

Our investigator looked at what happened. She understood Mr H's position, but in the circumstances, she felt Astrenska had fairly applied the terms of the policy and declined cover.

Mr H remained unhappy. In summary he said:

- He achieved his Q1 target and only narrowly missed out on Q2 and Q3 before his target was unfairly increased in Q4. He did his absolute best to raise his performance, but it was impossible against a target too high with very little stock
- He agreed he'd received a warning due to his performance, but he still felt the end of his employment had happened suddenly because it was within three months
- He wasn't fired for misconduct or any other serious disciplinary matter, he was asked to leave through no fault of his own
- He did not leave voluntarily. He didn't have a choice

So the case has been passed to me to make a 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.

The relevant rules and industry guidelines say an insurer must handle claims promptly, fairly and not unreasonably reject a claim.

Astrenska relied on the following policy terms to decline cover;

Unemployed, Unemployment:

*You are without work due to your employment ending unexpectedly and due to circumstances beyond your control.*

*What is not covered:*

*h. Claims where your unemployment is due to you breaching your employer's conduct code .....or where your unemployment is due to your employer taking disciplinary action against you.*

*g. Claims where you voluntarily leave your last employment or retire*

Based on the evidence, Astrenska said Mr H's employment hadn't ended unexpectedly or beyond his control, so his claim wasn't covered. And they felt the exclusions for both unemployment following disciplinary actions, and voluntary unemployment applied.

- By January 2024, Mr H was made aware by his employer that there were issues with his performance. He'd received a written warning and clear guidance about needing to improve his performance. He'd also had to attend a formal capability hearing. In March 2024 Mr H received his final written after not meeting the previous quarter's targets and was warned if there wasn't improvement, the next stage would be a stage 3 capability hearing.

So I don't think Mr H's unemployment came out of the blue in April 2024. I appreciate Mr H has said he found the time from his first warning up to his unemployment went quickly but I think it was fair for Astrenska to conclude his claim wasn't for unexpected unemployment and decline cover.

I'm also mindful Mr H's employer gave him the opportunity to improve his performance between December 2023 and April 2024, so I don't think his unemployment was beyond his control. I acknowledge Mr H' feels strongly that his target was too high and he only had limited stock to work with, but those are matter between an employer and employee.

- The policy also excludes claims which are the result of an employee having to leave due to disciplinary action. This isn't an unusual exclusion for unemployment cover. Our investigator has explained that the Advisory, Conciliation and Arbitration Service (ACAS) endorses the inclusion of poor performance within the definition of disciplinary matters. So although I appreciate Mr H may have been treated unfairly by his employer in relation to his targets, it's not in dispute that disciplinary action had taken place due to issues with his performance. So I think it was reasonable for the insurer to apply this exclusion.
- Mr H has been clear and consistent throughout his submissions that his leaving his employment was by no means voluntary. He's explained he felt he had no choice but to leave so, knowing he had an income protection policy in place, he signed the agreement and accepted the settlement offer.

But even if I agreed it was unfair for Astrenska to apply the exclusion for voluntarily unemployment, I still think it was reasonable for them to conclude the claim wasn't covered for the reasons I've already set out above.

- I've also considered the way the insurer handed the claim and if there was any unreasonable delays. I think overall the claim was handed fairly. Mr H received a

claim outcome within five and a half weeks from when the insurer had what they needed to assess the claim. This isn't an unreasonable timescale for a claim of this nature.

I'm sorry to give Mr H news that I know will be disappointing. I appreciate the distress caused to him when his employment contract came to an end, and he was left without an income. But this isn't something I can fairly hold Astrenska responsible for. Mr H's insurance policy just doesn't cover the circumstances of his unemployment.

So whilst I understand why Mr H feels what happened to him was unfair, for the reasons I've explained, there aren't any reasonable grounds I could ask his insurer to cover his claim.

### **My final decision**

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 July 2025.

Georgina Gill  
**Ombudsman**