

## **The complaint**

Mr T complains that Canada Life Limited declined a claim he made on his employer's group income protection scheme.

## **What happened**

Mr T is the beneficiary of his employer's group income protection scheme. Mr T became absent from work with symptoms of depression and anxiety. He claimed on the policy.

Canada Life declined the claim on the basis that the policy definition of incapacity wasn't met. They said there was evidence that Mr T's absence was caused by workplace stress. Mr T complained to Canada Life but they maintained their decision was fair. Mr T complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. He thought Canada had acted fairly based on the medical evidence and the policy terms.

Mr T didn't agree and asked an ombudsman to review his complaint. He highlighted the impact of his diagnosed conditions, the workplace environment, the need for workplace adjustments and the Equality Act 2010. He also emphasised the policy terms he felt supported his position and asked for a comprehensive review of his complaint.

## **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 policy terms and conditions say:

We will treat a member as suffering incapacity, if, throughout the deferred period and beyond, the members illness or injury prevents them from, and makes them incapable of, performing the material and substantial duties of their normal occupation.

Substantial duties is defined as:

The duties that a member is normally required to do to perform their normal occupation and which cannot reasonably be omitted or modified by you or the member. The duties refer to the tasks the member is required to perform, and whether those tasks could be carried out for you or any other employer. In addition a journey to and from the members normal residence to their normal place of work is not regarded as part of the normal occupation.

The relevant rules and industry guidelines say that Canada Life have a responsibility to handle claims promptly and fairly. And they shouldn't decline a claim unreasonably.

I'm not upholding Mr T's complaint. I say that because:

- Mr T was experiencing situational workplace issues at the time he became absent from work. As I've outlined above the definition of incapacity focuses upon whether he could carry out the material and substantial duties of his role, not whether he could perform them for his specific employer.
- I'm satisfied that Canada Life reasonably concluded the main barrier to Mr T returning to work was workplace stress and issues in the workplace. The medical information consistently provided refer to workplace issues as relevant to Mr T's inability to work, including Mr T's initial sicknotes and the GP notes. Other information, including Mr T's claim form, set out in detail the workplace issues which led to his claim. So, I'm satisfied, on balance, that Canada Life reasonably concluded that Mr T didn't meet the policy definition of incapacity.
- I'm also persuaded Canada Life took reasonable steps to understand whether Mr T was prevented from working due to illness. An independent medical examination took place in March 2024 which was conducted by a Consultant Clinical Psychologist. The conclusion of that detailed report was that Mr T was experiencing a very uncomfortable and protracted reaction to workplace stress and it would be difficult to characterise it as a formal mental illness. The consultant also identified that working to resolve the workplace issues would likely lead to Mr T feeling better quickly. When Mr T provided further evidence, this was sent to the consultant for further comment. It didn't change his thoughts about Mr T's ability to return to work.
- I don't think it was unreasonable for Canada Life to rely on the conclusions of the independent medical expert when declining the claim. I'm satisfied, in the circumstances of this case, they took reasonable steps to understand and assess the relevant medical evidence.
- I've considered that Mr T was prescribed medication and obtained support via counselling. However, that doesn't automatically mean the policy definition of incapacity is met. I think Canada Life took this into account when considering the claim and have given adequate reasons as to why they considered the policy definition wasn't met.
- Mr T also mentioned the Equality Act 2010. However, the expert report considered that Mr T was unlikely to be formally disabled as he was anxious because of unresolved workplace issues and because his personal life had been unhappy. So, I'm satisfied this was a factor that Canada Life considered when they declined the claim.

### **My final decision**

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 20 April 2025.

Anna Wilshaw  
**Ombudsman**