

The complaint

Mrs M and Mr M have complained that The Royal London Mutual Insurance Society Limited declined Mr M's critical illness claim.

What happened

The background to this complaint is well known to the parties. In summary Mr M was diagnosed with Type 1 Diabetes Mellitus and made a claim. Royal London advised him that this wasn't one of the critical illnesses covered by his policy. Mr M complained. He said that Royal London hadn't sent him a policy document so he was unaware of the illnesses he was covered for. He also said that Royal London hadn't notified him that wider cover was now available. When Royal London didn't uphold his complaint he referred it to this Service.

Our investigator didn't recommend that the complaint be upheld. They didn't find that Royal London had done anything wrong. Mr M appealed.

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.

I'd like to reassure Mr and Mrs M that whilst I've summarised the background to this complaint, I've carefully considered all that has been sent to us and in particular Mr M's comments following the investigator's view. I also note his more recent diagnosis. In this decision though I haven't commented on each submission, rather I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

The relevant regulator's rules say that insurers mustn't turn down claims unreasonably. So I've considered, amongst other things, the law, regulatory guidance, the policy terms and good industry practice to decide whether I think Royal London treated Mr and Mrs M fairly when declining Mr M's claim. Having done so I agree with the conclusion reached by our investigator. I'll explain why.

- Mr M has said that Royal London didn't send the policy terms when Mr and Mrs M took out the policy in 2022. It is not now possible to open the encrypted attachment sent due to the passage of time, but I'm satisfied from the evidence I have seen that it is more likely than not that Royal London emailed the terms to Mr M's correct email address. However even if it could be shown the terms, or full terms, weren't attached, I find that the onus would have been on Mr and Mrs M to advise Royal London and request that they be sent again.
- Mr M was diagnosed with Type 1 Diabetes Mellitus in September 2024. I accept that it wasn't until he received the terms in October 2024 that Mr M became aware that Type 1 Diabetes Mellitus wasn't one of the critical illnesses covered by his policy. But I don't find that it was for Royal London to ensure the policy Mr and Mrs M purchased

was right for them – rather for it was for them to make sure that it met their needs at the time.

- I haven't disregarded Mr M's submissions regarding Royal London's regulatory obligations. He has said that he wasn't informed of the material change to Royal London's policy or given the option to update his policy. However, I don't agree that there is an obligation on Royal London to advise all policyholders of cover they provide on newer policies. Of course, Royal London would need to advise policyholders of impending changes to their own cover – but that was not the case here.
- In accordance with good industry practice insurers must provide cover for three core conditions as set out the Association of British Insurers Guide to minimum standards for critical illness cover. Mr and Mrs M's policy provides this cover. In addition, insurers may offer wider cover, and the policy will be priced accordingly. But not offering cover for Type 1 Diabetes Mellitus at the time wasn't uncommon and wasn't contrary to good industry practice.
- Mr M has referred to previous decisions of this Service where it has been held that the insurer applied policy definitions too narrowly. Previous decisions do not set any precedent as each case is decided on its own facts. But in any event there would be no analogy here. It is not a case of restricting a meaning or narrowly applying cover – rather Type 1 Diabetes Mellitus isn't a critical illness covered by Mr M's policy. So I'm not persuaded that Royal London treated him unfairly or contrary to his policy terms when declining his claim. This being so there is no basis for me to require Royal London to make any payment to Mr and Mrs M. Likewise I don't find that Royal London breached any regulatory obligation when not advising Mr and Mrs M of the cover available under new policies.
- It is not for this Service to say whether an insurer has acted unlawfully under the Equality Act – that's a matter for the courts. But, as indicated above, in order to decide what is fair and reasonable in all the circumstances we have to take a number of things into account, including the relevant law and I have done so here. But I don't find that Mr M was treated less favourably than other policyholders would have been in his circumstances or that Royal London's treatment of him has been unfair. I recognise the impact Mr M's diagnosis this will have had – both medical and financial and I'm very sorry that my decision doesn't bring Mr and Mrs M welcome news.

My final decision

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 M and Mr M to accept or reject my decision before 18 June 2025.

Lindsey Woloski
Ombudsman