DRN-5739847

The complaint

Mr J is unhappy with Unum Limited's decision to decline his critical illness claim.

What happened

Mr J was diagnosed with lung cancer in December 2024 and claimed on his group critical illness policy. Mr J said he suffers with sickle cell anaemia and has a history of chest infections. He explained a non-cancerous nodule on his right lung was detected in May 2023. Mr J said this was not considered cancerous at that time and that it was only after a follow up scan in September 2024, that the specialist began to suspect the presence of cancer.

Unum said Mr J's lung cancer met the policy's definition of cancer, however, it relied on an exclusion to decline his claim. It said Mr J joined the group policy in June 2024 and that his lung nodule was being monitored annually since May 2023. And so, because this predated the start of the policy, there was no cover for his claim.

Our investigator didn't uphold Mr J's complaint. She agreed there was no medical evidence to suggest the nodule discovered in May 2023 was cancerous but explained it didn't have to be. She said its discovery, and that it was being monitored, was enough for Unum to rely on the exclusion to decline the claim fairly.

Mr J disagreed with her opinion. In summary, he said most nodules are non-cancerous and can even be caused by scar tissue from previous chest infections. He explained he'd suffered with chest infections for more than 20 years because of his other long term medical conditions. He also provided medical evidence from his specialist that said there was no suspicion Mr J was suffering with lung cancer at that time. And so, it's now for me to make a final decision whether it was fair for Unum to rely on the policy's exclusion to decline Mr J's claim.

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've decided not to uphold it. I say that because I think Unum has applied the policy's exclusion fairly in the circumstances. I'll explain why.

Under the Insurance Conduct of Business Sourcebook (ICOBS) Unum must handle claims promptly and fairly and must not unreasonably reject, or avoid, a claim. I've carefully considered Unum's obligations under this rule whilst assessing its actions here.

The relevant policy exclusion Unum's relied upon to decline Mr J's claim is;

"Ongoing investigations: No benefit will be paid for any medical condition or surgical procedure where the member was undergoing ongoing medical investigations or monitoring before the date of becoming a member, which led to the later diagnosis of a critical illness or

related condition"

In May 2023, almost a year before Mr J joined the policy, an incidental lung nodule was identified following a CT scan. Mr J had been suffering with a reoccurring chest infection from which he found recovery more difficult than usual. He was therefore referred for further investigation and the incidental lung nodule was diagnosed. Mr J explained, and I agree, there was no evidence at the time to suggest the nodule was cancerous. But the treating specialist decided to monitor the nodule and recommended a follow up scan a year later.

It's important to recognise that from this point in May 2023, Mr J was being monitored, as described by the policy exclusion. Mr J argued that because the nodule wasn't showing signs of cancer at that time, the policy exclusion shouldn't apply, but that's not the test that needs to be met in these circumstances. Rather, it's because Mr J was being monitored for the nodule, prior to joining the policy in June 2024, the exclusion was triggered.

I'm, therefore, persuaded Unum's applied the policy exclusion correctly to decline his claim. I say that because the nodule was being monitored annually, to determine whether it underwent any changes, prior to joining the policy in June 2024.

Mr J attended the follow up scan in September 2024, and in October, the evidence showed the nodule had changed. The medical records show the cause and significance of the changes were unclear at that time. And there was recognition given to Mr J's previous history with chest infections caused by his underlying and long-term health conditions. It was determined further medical investigation was needed and so Mr J was referred for PET and CT scans and a biopsy.

The results of which confirmed in December 2024 Mr J was suffering with lung adenocarcinoma in his right lung. And so, the very issue Mr J was being monitored for, was the event that caused his cancer. The policy exclusion says no benefit will be paid in these circumstances and so I think Unum has applied the exclusion fairly in Mr J's case.

My final decision

For the reasons I've explained, I don't uphold Mr J's complaint because Unum Limited has fairly applied the policy exclusion to decline cover.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 September 2025.

Scott Slade
Ombudsman