DRN-5761875

The complaint

Mrs J's complained that HSBC Life (UK) Limited unfairly declined the claim she made on her life policy after she was diagnosed with a terminal illness.

Mrs J has been supported in making her complaint by her husband, Mr J. Submissions and comments attributed to Mrs J in this decision include those made by Mr J on her behalf.

What happened

In October 1999, Mrs J bought a life insurance policy from a company I'll call M. The policy had a 25 year term, so ended in October 2024. It provided for a lump sum to be paid in the event of Mrs J's death, or if she were diagnosed with a terminal illness as defined by the policy. Part way through the term, M transferred the policy to HSBC.

In June 2024, Mrs J was diagnosed with breast cancer. She began a course of treatment but, sadly, by August 2024, the cancer had metastasised to her lungs and brain. Her condition is terminal.

Mrs J made a claim on the policy for the terminal illness benefit to be paid. HSBC reviewed the medical evidence and declined the claim because they said Mrs J hadn't met the policy definition of terminal illness. The relevant part of that definition says:

"The Benefit is payable to you or your estate when the first of the following events happens within the term of the Plan:

1. *…*
2. *a Life Assured being diagnosed as terminally ill. For the purpose of the Plan, this means having a life expectancy of less than six months at the time of diagnosis. We must receive medical evidence to confirm the diagnosis which is to our reasonable satisfaction."*

HSBC said the evidence hadn't demonstrated Mrs J's life expectancy was less than six months.

Mrs J complained, but HSBC didn't change their decision. So Mrs J brought her complaint to the Financial Ombudsman Service.

Our investigator reviewed the information provided by both parties and concluded HSBC didn't need to do any more to resolve the complaint. He reviewed the medical evidence HSBC had been sent and noted Mrs J's consultant had indicated that her life expectancy depended on her response to the treatment she received. And he thought HSBC's conclusion that she hadn't met the policy terms was reasonable.

Mrs J didn't agree with our investigator's view. So the matter's 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.

Having done that, I'm not upholding Mrs J's complaint. I know this will be upsetting news to receive and I'm sorry about that. I hope it will help if I explain the reasons for my decision. I'll do so, focusing on the points and evidence I consider material to my decision. So if I don't mention something in particular, it's not because I haven't thought about it. Rather, it doesn't change the outcome of the complaint.

I understand why Mrs J's complained. But, for me to be able to say HSBC should do more to resolve her complaint, I need to be satisfied they've not assessed her claim fairly.

There's no dispute that Mrs J's condition is sadly terminal. But that's not the only prerequisite for a successful claim – she must also have had a life expectancy of less than six months before the policy term ended. Mrs J says she did. But HSBC say that's not the case when you take into account the extension to her life expectancy which resulted from the treatment she received.

I've considered this. I've reviewed the evidence both parties have provided from their medical specialists to decide which I find more persuasive.

The doctors in this instance were being asked to assess how long Mrs J may live. I think it's fair to make that assessment taking into account all the factors that have an impact on that. One of those factors is the availability of treatment, and Mrs J's response to it.

I can see from HSBC's evidence that they reviewed Mrs J's records before reaching a conclusion about her life expectancy. Those records show the treatment had reduced not only the primary breast cancer, but also the brain and lung metastases. HSBC concluded from this that the treatment had extended Mrs J's life expectancy.

In September 2024, HSBC asked Mrs J's consultant responded what her life expectancy was. She responded:

"depends on response to treatment worst case, months only".

But, at the end of 2024, she said

"I can therefore confirm that at the time of diagnosis of brain metastases in August 2024 [Mrs J's] *prognosis would have been measured in less than 6 months. Responses to treatment do not alter the estimated prognosis at this time point."*

It's Mrs J's position that her doctor knows her condition best – so their opinion should carry most weight.

I've considered this carefully. I'm not an expert. But, on balance, I don't think it's fair to say HSBC should disregard the impact treatment had when calculating Mrs J's life expectancy. I accept Mrs J's consultant holds a contrary view. But the policy term requires:

"*medical evidence to confirm the diagnosis which is to our reasonable satisfaction."*

The evidence provided to HSBC didn't satisfy them. So they sought the opinion of their own medical officers. I think that was reasonable. And I'm satisfied that it was fair for HSBC to rely on the opinion of a qualified medical professional. So while I'm sorry my decision will cause further upset to Mrs J, I don't think HSBC need to do any more to resolve her complaint.

My final decision

For the reasons I've explained, I'm not upholding Mrs J's complaint about HSBC Life (UK) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 3 October 2025.

Helen Stacey
Ombudsman