DRN-5811256

The complaint

Ms H complains about ReAssure Life Limited's actions in relation to a claim she wanted to make on her life and critical illness insurance policy.

What happened

The history of this complaint is well known to both parties, so I won't repeat all the details here. In brief, Ms H took out life and critical illness cover in 2001. The policy was sold via a broker and is now underwritten by ReAssure.

In November 2024, Ms H contacted ReAssure about making a disability claim. Her policy includes total permanent disability benefit (TPD) on an *own occupation* basis. Following a conversation with ReAssure, in which Ms H explained the nature of her disability and its impact, she was told a claim couldn't succeed as she didn't meet the own occupation definition of disability in her policy.

Ms H thought this was unfair, saying she'd not been aware of the basis on which the policy was set up. She'd been self-employed for most of her life and was now unable to work because of her disability. She complained, but ReAssure maintained its position.

Ms H was unhappy about this, so came to the Financial Ombudsman Service. She also expressed dissatisfaction about a call she'd had with ReAssure, saying one of its agents led her to believe her claim could succeed. ReAssure consented to us considering this complaint point alongside the substantive complaint.

Our investigator thought ReAssure had acted fairly in respect of the claim decision. But he said the call with ReAssure's agent had raised Ms H's hopes, causing her distress and inconvenience. He recommended ReAssure pay Ms H £100 compensation in recognition of the upset caused.

Ms H did not accept our investigator's view so her complaint has come to me for a final 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 so, I'm upholding this complaint to the same extent as our investigator. I know this news will be disappointing to Ms H. I'm sorry about that, particularly as I've read and listened to Ms H talking about her disability and recognise the significant impact it has on her day to day.

I'll explain my reasoning below, focusing on what I consider to be the central issues. So if I don't refer to something specifically, it's not because I haven't thought about it. Rather, I

don't think it changes the outcome. I'd particularly like to assure Ms H that I've considered all of the points she'd made and the regulatory requirements she cited.

Ms H has said the policy was set up by her late husband. I've noted from the paperwork that Mr H was a partner in the accountancy and financial advice firm that sold the policy. On the application form, which Ms H accepts she signed, TPD is selected as an optional benefit and Ms H's occupation is listed as *housewife*. The policy schedule also lists the basis for TPD as *own occupation* and the insured occupation as *housewife.*

I accept Ms H's testimony that she was not aware of the details of the application form or the policy definition that would need to be met for a claim for TPD to succeed. But from the documentation, including the application form, acceptance letter and policy schedule, I'm satisfied Ms H had constructive knowledge of the cover she'd bought.

Ms H took out her policy in 2001. So any claim is assessed against the 2001 terms applicable to Ms H's policy. I've reviewed those policy terms. The specific term relating to TPD on an own occupation basis states:

> *Where the Schedule shows that the relevant life assured is covered on an Own Occupation basis, 'totally and permanently disabled' means totally, permanently and irreversibly disabled due to accident or illness so that the relevant life assured is unable to and will never again be able to perform the Insured Occupation as shown in the Schedule.*

Having questioned Ms H about her disability and its impact, ReAssure concluded that, based on the medical information discussed, her current circumstances would not prevent her from performing the duties of a housewife. Having listened to the relevant call, I think this was a reasonable conclusion to draw. I say this without in any way wishing to minimise the impact of Ms H's disability. But I don't think ReAssure acted unfairly in respect of Ms H's enquiry about making a claim.

I can understand Ms H's frustration about this situation. Ms H feels ReAssure has acted unfairly in not telling her that her policy lists her occupation as housewife, or explaining about the implications of this in respect of making a claim.

Insurers are expected to keep customers informed about any changes to their existing policies – such as ReAssure has done in relation to plan reviews. But there's no requirement for an insurer to contact customers to check they understand the cover they're paying for. I appreciate Ms H feels ReAssure should've contacted her when it took over responsibility for her policy. But I've not identified any failing here by ReAssure. The policy holder remains responsible for checking the cover bought meets and continues to meet their needs. It was always open to Ms H to review her policy or seek advice about her level of protection.

Ms H has also raised concerns about a call with a particular agent, in which she feels she was effectively told neither he nor his senior could see why she couldn't be paid out. Ms H feels this reinforces her view that her claim is not clear cut and that she should have benefitted from a fairer and more thorough assessment.

But I don't think that's the case here. I've already found that ReAssure acted fairly in concluding, on the basis of its discussion with Ms H in which she detailed the impact of her disability, that the policy definition for a successful claim was not met.

I've listened to the call with the agent. He was not a claims handler and not aware of all the facts and relevant considerations. Indeed, he stresses he can't confirm anything in relation to the claim, telling Ms H he will set up escalation to a technical team to get more information

on why she can't take the benefit. My impression is the agent was trying to be helpful, but I think he should've been more circumspect with his comments, which I can see did encourage Ms H to think her claim might succeed. I accept this impression caused Ms H some distress and inconvenience. I think the £100 compensation proposed by our investigator reasonably reflects the upset caused as a consequence of this conversation.

Putting things right

Ms H rejected the compensation proposed by our investigator and requested a final decision. ReAssure accepted our investigator's view and, understanding the complaint to have been closed, subsequently paid the compensation to Ms H. From what I can see, this misunderstanding was due to an email to Ms H not being received, likely because of the size of the attachments. Ms H has confirmed the compensation was credited to her bank account.

Ordinarily, I would require ReAssure to pay Ms H £100 compensation in recognition of the distress and inconvenience caused. As this has already happened, I do not require ReAssure to do anything further in respect of this complaint.

My final decision

For the reasons given above I uphold this complaint. But as compensation has already been paid, I do not require ReAssure Life Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 13 October 2025.

Jo Chilvers
Ombudsman