

The complaint

Mr Y complained that Unum Ltd declined a claim on his group critical illness policy.

What happened

Mr Y was a member of his employer's group critical illness policy. In November 2024, Mr Y completed a claim form, wishing to claim under the Rheumatoid Arthritis (RA) condition of the policy. Unum declined Mr Y's claim as he hadn't been diagnosed with RA. Mr Y complained as whilst he'd not been diagnosed with RA, he'd been diagnosed with another autoimmune condition (AC) which he said had near identical disease mechanisms and impact. Unum didn't uphold the complaint as they didn't think they'd done anything wrong in declining the claim. Mr Y was still unhappy so brought the complaint to this service.

Our investigator didn't uphold the complaint. They didn't think Unum had unfairly declined the claim. They said it was up to Unum as to which conditions they covered and Mr Y hadn't been diagnosed with a covered condition. Mr Y appealed. In summary, he felt the policy's intent was to cover severe AC's and this is what he had. Mr Y also made the following points:

- His condition caused functional equivalence and as severe an impact as RA.
- The treatment for his condition and RA is from the same drug classes and carry the same risks.
- He's been awarded enhanced Government PIP status, illustrating the severity.
- A reasonable person purchasing a critical illness policy covering RA would expect his condition to also be covered.
- It's unfair to draw an arbitrary line between medically equivalent conditions.

As no agreement could be reached, the complaint has been passed to me to make 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether Unum acted in line with these requirements when it declined Mr Y's claim.

Having done so, and whilst I appreciate it'll come as a disappointment to Mr Y, I've reached the same outcome as our investigator.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr Y has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

I'm very sorry to hear about Mr Y's diagnosis. I recognise the impact his condition has on his health and day to day life. I wish him all the best with his future treatment.

As a starting point, it's important to understand what the policy terms and conditions cover Mr Y for. In his claim form, he's specified he's claiming under the RA condition definition. I've reviewed the conditions covered under Mr Y's policy and think this would be the most relevant to Mr Y's condition. The policy definition is as follows:

"RA – of specified severity

A definite diagnosis by a Consultant Rheumatologist of chronic RA as evidenced by widespread joint destruction with major clinical deformity."

The policy also goes on to set out severity criteria, but I don't think these are relevant in this case.

Mr Y isn't arguing that he has been given a diagnosis of RA. His argument being that his AC is very similar to RA, and so it should also be covered under the policy.

As our investigator has set out, the Association of British Insurers set out three mandatory conditions that need to be covered for a policy to be called critical illness insurance. Outside these three core conditions, insurers have the commercial discretion to choose which other conditions are covered by the policy. The number of conditions, and which conditions are chosen, will impact the insurance risk to an insurer in having to pay a claim which directly impacts the premium the insurer will charge. An insurer can't cover every possible condition which could be deemed as critical as it would make the product unaffordable. The insurer lists the conditions, along with the given definitions in their policy terms and conditions and it's up to the customer to decide if the conditions covered and the proposed premium is acceptable.

Whilst I empathise with Mr Y's situation, and accept that his condition is similar to RA, this doesn't mean that he's got a payable claim. I'd only expect Unum to pay the claim if Mr Y met the definition of a listed condition, which he doesn't. So, whilst the impact of his condition may be similar to that of RA, I don't agree that the intent of the policy is to cover any similar condition. The intent of the policy is to only cover RA of a specified severity.

I'm very sorry that my decision doesn't bring Mr Y more welcome news at what I can see is a very difficult time for him. But in all the circumstances I don't find that Unum has treated Mr Y unfairly, unreasonably, or contrary to the policy terms and conditions.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint. I don't require Unum Ltd to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 31 October 2025.

Anthony Mullins
Ombudsman