

## The complaint

Mr R is unhappy that Canada Life Limited (Canada Life) declined his income protection claim.

## What happened

Mr R had a group income protection policy and Canada Life was the underwriter.

He became absent from work first in August 2024. His GP signed him off work and the fit notes said he was stressed at work. Following a 13-week deferred period, Mr R submitted a claim from November 2024 to February 2025. Mr R informed Canada Life that he was no longer working with the employer from 14 February 2025. In the claim form, Mr R said his treatment consisted of group sessions, yoga, meditation and massage. He wasn't prescribed any medication, and his symptoms were memory problems, difficulties in concentration, anxiety, lack of motivation and fatigue.

Canada Life declined the claim. Mr R provided further medical evidence and appealed the claim decision. Canada Life however maintained its position.

Unhappy Mr R brought his complaint to this service. Our investigator didn't uphold the complaint. He didn't think the claim had been declined unfairly.

Mr R disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

## 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.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly. I've taken these rules into account when looking at this complaint.

I've started by looking at the relevant terms and conditions of the policy.

The policy defines incapacity as:

### *'Standard*

*We will treat a member as suffering in incapacity, if, throughout the deferred period and beyond, the member's illness or injury prevents them from, and makes them incapable of, performing the material and substantial duties of their normal occupation.'*

Material and substantial duties is defined as:

*'The duties that a member is normally required to do to perform their normal occupation and which cannot reasonably be omitted or modified by you or the member. The duties refer to the tasks the member is required to perform, and whether those tasks could be carried out for you (the employer) or any other employer. In addition a journey to and from the member's normal residence to their normal place of work is not regarded as part of the normal occupation.'*

Normal occupation is defined as:

*'The occupation for which the member was employed... to do immediately before the incapacity started'*

And illness is defined as:

*'Clinical ill health causing a material deterioration in physical or mental health.'*

For a claim to be valid, Mr R must demonstrate that his illness prevented him from carrying out the material and substantial duties required to perform his job role throughout and beyond the 13-week deferred period.

Mr R made a claim following the deferred period. The reasons noted on the fit note provided by his GP was 'stress at work'. He didn't provide Canada Life any further medical evidence except for the fit notes from the GP. Based on this initial information, Canada Life declined the claim. I've reviewed this information and having done so, I don't think Canada Life declined the claim unfairly. I say this because the fit notes were the only medical evidence Mr R provided. He reported his symptoms as noted above but he had no further medical intervention or tests carried out. He reported work related stress in the claim form he submitted, and the fit notes also match this. I don't think this sufficiently demonstrates that Mr R met the definition of incapacity as required by the terms and conditions of the policy.

Mr R submitted further medical information to Canada Life and appealed the claim decline. This consisted of a letter from a psychiatrist and stated that Mr R had been prescribed anti-depressant medication. The letter stated Mr R had been diagnosed with moderate depressive episode. I've reviewed the letter and the prescription. There's nothing in this information that confirms how the condition prevented Mr R from carrying out his duties – throughout the deferred period and beyond. There's no evidence that Mr R has undergone any significant treatment.

Mr R also provided amended fit notes from the GP for the same period as previously. But these show that Mr R was signed off with depression instead of stress at work. Being signposted for counselling and having symptoms of poor sleep, lack of energy, anxiety and stomach pain are not alone sufficient. There's no evidence of further intervention of any medical treatment. And receiving a fit note from a GP is not sufficient – even after the GP amended the reason for the absence as depression. While I don't doubt that Mr R has suffered due to his condition and has experienced symptoms, this doesn't necessarily mean though that he meets the definition of incapacity and that a claim should be paid.

I understand a diagnosis was given to Mr R by the psychiatrist but there is no indication of his functional capacity. And whilst the GP has provided fit notes (initially and amended versions), these are based on Mr R's self-reported symptoms. The psychiatrist's letter doesn't explain how the illness prevented Mr R from carrying out the duties of his job role. I understand that anti-depressant medication was provided to Mr R but that of itself again doesn't meet the definition of incapacity.

I've also considered that Canada Life referred all of the existing and further medical evidence as part of the appeal to its Medical Officer (MO). The MO stated there was a lack of contemporaneous evidence of incapacity and therefore maintained the decision to decline.

Mr R says Canada Life has shown clear bias against the legitimacy of a mental health diagnosis and has dismissed specialist diagnosis. Having considered the information against the requirements of the policy, I don't agree with Mr R's comments. He hasn't sufficiently demonstrated that he's met the definition of incapacity as required by the terms and conditions of the policy.

Whilst I appreciate Mr R's strength of feeling, the policy terms and conditions are clear in that the definition of incapacity has to be met for a claim to be paid. In the circumstances of what's happened here, I'm not persuaded that Canada Life declined Mr R's claim outside the terms and conditions of the policy or that it was declined unfairly. I understand this situation has been difficult for Mr R and I'm sorry to disappoint him. But it follows therefore that I don't require Canada Life to do anything further.

### **My final decision**

For the reasons given above, I don't uphold Mr R's complaint about Canada Life Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 January 2026.

Nimisha Radia  
**Ombudsman**