

The complaint

Ms W has complained that Unum Ltd unfairly declined her income protection insurance claim.

What happened

Ms W has a group income protection insurance policy through her employer, underwritten by Unum.

She became absent from work in May/June 2024 and made a claim which Unum declined. It said Ms W's absence was mainly due to work related factors and so she didn't meet the policy definition of incapacity.

Ms W appealed but Unum maintained its decision so she referred her complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Unum had unfairly declined the claim.

Ms W disagreed, provided an appointment letter with a psychiatrist and evidence of receiving benefits as a result of having limited capability for work. She asked for an Ombudsman's decision.

And so the case has been passed 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 don't think this complaint should be upheld. I'll explain why.

The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.

The background to this matter has been set out in quite some detail by the investigator. So I won't repeat the facts here again. Instead I will focus on what I consider to be key to my conclusions.

The starting point is the policy terms and conditions which make up the contract of insurance between the policyholder and Unum.

The policy terms define incapacity as follows:

“A member is incapacitated if we are satisfied that they are: Unable, by reason of their illness or injury, to perform the material and substantial duties of the insured occupation, and are not performing any occupation.”

This means Ms W has to show, through objective medical evidence that she is unable to perform her job at any employer, throughout the deferred period (26 weeks) and beyond.

The evidence shows that Ms W's illness absence was mainly due to anxiety as a result of workplace issues and that she was looking for another job.

The key medical evidence

The following key evidence was relied on by Unum to decline the claim:

- Ms W was referred for Cognitive Behavioural Therapy (CBT) and attended an assessment in May 2024. It was noted that her current difficulties were "*due to the pressure*" of her job "*and anxiety based around this*". The report said this was a situational difficulty and so the service wasn't the most suitable as their treatments were around CBT and focused on common mental health symptoms in a general way. Ms W's GP records also confirm she had applied for lots of jobs but wasn't getting them.
- In June 2024, the GP records note that Ms W had a telephone consultation and she wasn't coping with the high-pressure performance management that came with her job. The thought of going back to work was making her feel sick and was causing severe anxiety. It was agreed that she needed to find different employment and she was going to go off sick until she could do that.
- The medical evidence from the GP refers to workplace stress and problems at work. In a letter dated 19 December 2024, the GP confirmed Ms W had reported having panic attacks which tend to be precipitated by stress related to her work.
- Ms W reported worsening symptoms and her GP made an urgent referral. In September 2024, the GP notes confirm that Ms W was given self-care advice and reassurance. There is no further evidence in the deferred period of any further interventions or escalations as a result.

Having considered the above, I don't think Unum reached an unreasonable conclusion about Ms W's reason for absence from work. Although she has been diagnosed with an illness, that in itself isn't enough to satisfy the definition of incapacity. The evidence shows that the absence was mainly due to workplace stress and so there isn't sufficient evidence to show that Ms W wouldn't be able to carry out the material and substantial duties of her role with any employer.

Ms W has provided evidence of further medical appointments and a letter confirming receipt of benefits from the Department for Work and Pensions (DWP) as a result of limited capacity for work. However, any new appointments and medical evidence would need to be sent to Unum in the first instance and so I can't consider this information in my decision. In addition, the letter from the DWP and any decision relating to capability for work doesn't automatically mean that Ms W satisfies the definition of incapacity set out in the terms and conditions. The criteria for a claim with the DWP is different to a claim for income protection insurance.

I am really sorry to hear of Ms W's struggles with her mental health. But I am not satisfied that she has shown she has met the definition of incapacity throughout the deferred period and beyond based on the medical evidence available. And so I don't think Unum has acted unfairly or unreasonably when declining the claim.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 5 January 2026.

Shamaila Hussain
Ombudsman