

## **The complaint**

Mr M complains because Zurich Assurance Ltd hasn't paid a claim under his income protection insurance policy.

## **What happened**

Mr M is insured under a group income protection insurance policy, provided by Zurich.

In late 2024, Mr M's employer made a claim under the policy on his behalf, because he was signed off work due to bereavement and depression. Zurich considered the medical evidence and arranged for an independent medical examination ('IME') to be carried out. Zurich subsequently declined the claim, because it said Mr M didn't meet the policy requirements for a benefit to be paid to him.

Unhappy, Mr M complained to Zurich. Zurich maintained its decision about the claim but offered to pay Mr M £200 compensation for its delays in responding to his complaint.

As Mr M remained dissatisfied, he brought the matter to the attention of our Service. One of our Investigators looked into what had happened and said he didn't think Zurich had acted unfairly or unreasonably in the circumstances. Mr M didn't agree with our Investigator's opinion so the complaint has now been referred to me to make a decision, as the final stage in our process.

## **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.

I'm very sorry to hear about the background to this complaint, and I'd like to offer Mr M and his family my sincere condolences for their sad loss.

Industry rules set out by the regulator say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, alongside other relevant considerations, into account when making my final decision.

I'm not a medical expert, so it's not my role to reach my own conclusions about Mr M's medical conditions. Instead, I've weighed up the available medical evidence to decide whether, on the balance of probabilities, I think Zurich acted unfairly and unreasonably when turning down Mr M's claim. I don't doubt that Mr M is unwell, but this doesn't automatically mean he is entitled to be paid a benefit under the policy. The question for me to consider is whether I think Mr M meets the relevant policy definitions.

This policy pays a benefit if Mr M met the policy definition of 'incapacity' throughout, and beyond, the relevant deferred period from the date of his first absence from work. So, in order for a claim to be successful, Mr M needs to provide medical evidence to show it's likely he had an illness or injury which meant he was unable to work.

I understand Mr M has provided 'Statements of Fitness for Work' from his GP which say he was unable to work due to depression and PTSD. Such statements alone are not usually sufficient evidence to demonstrate that a person meets the requirements for an income protection insurance claim to be paid. Although these statements do carry some evidential weight, they usually contain limited information and are based on self-reported symptoms. I understand Mr M was referred for therapy and had his medication increased but these factors in themselves don't demonstrate a diagnosis of a recognised illness either.

I've carefully considered the letter Mr M has provided from the Department for Work and Pensions saying he had limited capability for work and work-related activity, but the threshold applied for the payment of universal credit is not necessarily the same as the policy requirements for an income protection insurance claim to be paid.

Zurich sought its chief medical officer's opinion on the evidence I've mentioned (alongside extracts from Mr M's GP's records and the completed claim form) before arranging for Mr M to have an IME with a Consultant Clinical Psychologist by telephone. Zurich did this because it didn't think there was enough medical evidence to determine whether Mr M met the policy definition of 'incapacity' at that point and I think this was a fair and reasonable step for Zurich to take in the circumstances. I'd generally consider an IME carried out by a medical expert in their field to be persuasive evidence in deciding whether an income protection insurance claim is covered.

The fact that the IME was undertaken by telephone doesn't mean it carries less persuasive weight. It's common for such assessments to be arranged by telephone and I note Mr M's consultations with his GP also appear to have been by telephone too. Mr M says he feels the Consultant Clinical Psychologist laughed at him (which Zurich denies), and that this points to his state of mind at the time. I also appreciate Mr M was understandably stressed and anxious during the IME, but the Consultant Clinical Psychologist is an expert in his field, and I think it's fair and reasonable for Zurich to base its claim decision on his conclusions. The IME's conclusions were that Mr M:

*'would not now meet criteria for a substantive mental health problem. Rather, he has been affected by finding himself in a pressurised personal situation.*

...

*To be clear, however, the overall situation he finds himself in ... is a reaction and not a mental illness."*

I wouldn't generally expect an income protection insurance policy to pay a benefit for absence from work which is caused by personal circumstances. This is because personal circumstances meaning a person is unable to do their own job isn't the same as a member being unable to perform their occupation due to illness more generally. When personal issues or circumstances are resolved then an employee is likely to be able to return to work.

I note Mr M also had multiple panic attacks and infections around this time, but I haven't seen any medical evidence which would suggest it's likely these issues mean Mr M met the policy definition of incapacity either.

Overall, I don't think the medical evidence demonstrates it's more likely than not that Mr M met the policy definition of incapacity throughout the policy's deferred period and beyond. This means I don't think Mr M has demonstrated that he has a valid claim which Zurich ought to have paid. So, I don't think Zurich acted unfairly or unreasonably by turning down Mr M's claim.

Zurich offered Mr M £200 compensation for its delays in dealing with his complaint. Complaint handling isn't a regulated activity, so I have no power to comment any further on this other than to say if Mr M wishes to accept the offer, he should contact Zurich directly.

I'm sorry to disappoint Mr M and I understand having his claim declined has caused him stress and financial difficulties. I wish him well for the future, but I must make an independent and impartial decision which is fair and reasonable to both parties in the circumstances, and I won't be directing Zurich to do anything more.

### **My final decision**

My final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 March 2026.

Leah Nagle  
**Ombudsman**