

The complaint

Mr U is unhappy his claims on his income protection policies were declined by Phoenix Life Limited.

What happened

Mr U holds two income protection policies underwritten by Phoenix Life.

Sadly, in September 2021 he suffered a breakdown and became absent from work. He submitted a claim under both his policies in September 2023.

Phoenix said the late notification of the claim had adversely impacted their ability to assess the claim. However, they still thought it was fair to try and gather medical evidence to determine if Mr U met the definition of incapacity during the deferred periods under his policies.

Phoenix requested medical evidence from the date of Mr U's absence from his GP, and the specialists who had treated him in abroad. Following a review of everything Phoenix said there wasn't enough available evidence to show Mr U was incapacitated throughout the deferred periods. So they declined cover under both policies.

Mr U explained he had been unable to submit his claims any sooner than he did. But Phoenix said they were still unable to agree he was incapacitated based on the information they had.

Mr U referred the matter to this service. Our investigator looked at everything and said Phoenix had fairly assessed the claims.

Mr U asked for an Ombudsman to review the case, so it has been passed to me to decide.

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 sorry to read about the difficult time Mr U has been going through. He has explained he suffered a breakdown in September 2021 due to personal circumstances.

Mr U's decline at work is documented in detail in his employer's statement. It's clear from this evidence that Mr U was struggling at work and his employer was concerned about his wellbeing. But although the circumstances are sensitive here, I don't think Phoenix acted unreasonably when assessing this claim. I'll explain why.

The relevant rules and industry guidelines say an insurer has a responsibility to handle claims promptly and fairly, and they shouldn't reject a claim unreasonably

The policy definition for incapacity is:

“The Life Insured is unable to carry out the Material and Substantial Duties of his occupation because of illness or injury”

To make a successful claim a policy holder must evidence they have been incapacitated for the full duration of the deferred period and beyond.

Mr U has two separate policies with different deferred periods:

Policy 1 (SD616263)

This policy had a deferred period of 13 weeks which run from the date of Mr U's absence on 1 September 2021 until 1 December 2021. It is for Mr U to demonstrate he was incapacitated throughout this period and beyond.

Mr U didn't submit his claim until September 2023. Mr U has explained the reasons for the delay, and that he was unable to submit a claim sooner than he did without assistance. Although I understand this, I still think it was reasonable for Phoenix to refer to the late notification of this claim, and the impact this had on their ability to assess Mr U's functional capabilities between September and December 2021.

However, I'm pleased to see Phoenix decided to still attempt to assess the claim. They requested Mr U's medical evidence from 2021 to try and help determine if he met the definition of incapacity during the deferred period. So I'm satisfied that, despite late notification of the claim, Phoenix still treated Mr U fairly.

Phoenix requested medical evidence from Mr U's GP. They reviewed his medical history on several occasions with input from their own medical team and decided to contact his treating specialists abroad to try and help identify what treatment Mr U was receiving during this deferred period. I think this was reasonable in the circumstances.

Once they reviewed all the available medical reports, I think it was fair for Phoenix to conclude there wasn't enough medical evidence specifically between September and December 2021 to show Mr U was suffering from an illness that prevented him from performing the duties of his role throughout this time period.

Policy 2 (SD616306)

This policy had a longer deferred period of 52 weeks which run from the date of Mr U's absence on 01 September 2021 until 31 August 2022.

Phoenix contacted both of Mr U's treating specialists abroad and were able to obtain medical evidence from December 2021 onwards. This evidence showed Mr U was receiving treatment for his mental health and had had periods of improvement. He returned to work briefly in February 2022, but become absent again shortly after due to issues in the workplace.

It's not in dispute that Mr U was going through an extremely difficult time and this impacted his ability to work to such an extent he was asked to step away from his duties. But that doesn't automatically mean his claim for incapacity should be covered.

Taking everything into account, even though Mr U receiving treatment for his mental health, I don't think it unreasonable for Phoenix to conclude he didn't meet the definition of incapacity for the full 52 weeks of the deferred period and beyond .

Claim delay

Mr U is also unhappy with the length of time it took Phoenix to assess his claim. But based on what I've seen I think Phoenix progressed the claim as reasonably as they could in the circumstances. As explained above, despite the late notification of the claim, they still decided to gather as much relevant medical evidence they could from Mr U's treating specialist and attempted to assess his claims.

There was a delay in Mr U's specialists abroad sending over the information that had been requested. Phoenix first requested information in October 2023 and they continued engaging with the overseas hospitals regularly until they were provided with the relevant evidence they'd requested in July 2024. Although I appreciate this is a significant amount of time, this delay isn't something Phoenix is responsible for.

The claim was then progressed within a reasonable timescale. So I'm unable to say Phoenix caused any unnecessary delays.

Summary

Having reviewed the available information, I don't think Phoenix's decline of both claims was unreasonable in the circumstances. I appreciate this has been a very difficult time for Mr U and I want to be clear I empathise with his position, but the bar is high for income protection claims, and insurers need to see why medically someone is unable to do the specifics of his job due to an illness.

I know this will be disappointing for Mr U, but there just isn't enough evidence to show he meets the definition of incapacity throughout both his deferred periods. And I don't think Phoenix have treated him unfairly.

My final decision

I don't uphold this complaint against Phoenix Life Limited for the reasons I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 9 April 2026.

Georgina Gill
Ombudsman