

The complaint

Mr R has complained that Phoenix Life Limited trading as Standard Life has unfairly declined his claim for permanent total disability (PTD).

What happened

Mr and Mrs R bought a policy with critical illness cover and PTD benefit in 2000 with an expiry date of September 2025.

Mr R made a claim for PTD benefit in 2015 which was declined. In 2024, Mr R asked Phoenix Life to reassess his claims but it maintained its decline.

Mr R complained to Phoenix Life and unhappy with its response, referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint and recommended that Phoenix Life reassess Mr R's claim for PTD benefit. Phoenix Life has agreed to reassess the claim retrospectively (as the policy came to an end in 2025). Mr R is unhappy that the case won't remain open until Phoenix Life has completed its reassessment.

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 agree that this complaint should be upheld. I'll explain why. Firstly, I'd like to say I am really sorry to hear of Mr R's illness and the circumstances which led to this complaint.

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. And I have carefully considered everything both parties have said even if I don't explicitly address every point in my decision. I won't repeat the facts here again. Instead I will focus on what I consider to be the crux of the complaint and what is key to my conclusions.

Phoenix Life declined the claim for PTD benefit in 2024 on the basis that Mr R was still working but I would expect it to complete a thorough assessment based on its policy terms which say "*this is permanent and total disability due to illness or injury before the age of 65 resulting in the life assured being unable to carry out his normal occupation.*"

Mr R has said he isn't able to carry out his normal occupation and Phoenix Life has referred to Mr R being able to work. Since the last time the claim for PTD benefit was made, Mr R's circumstances have changed and Phoenix Life doesn't seem to have taken these into account. The PTD section of the policy refers to his usual occupation and not any

occupation. Phoenix Life should have properly and fully considered Mr R's occupation and circumstances in 2024 compared to his 'normal' occupation that he was insured for.

I am pleased to note that Phoenix Life has agreed to the retrospective reassessment. However, Mr R remains concerned and would like the complaint to remain open whilst the reassessment happens.

As the complaint is about the PTD claim in 2024, that is the only complaint I can deal with in this decision. I cannot make a decision about any new claim outcome following a reassessment until Mr R has followed the proper complaints process and has allowed Phoenix Life to deal with any new complaint that may arise. The other complaints made about the critical illness claim and previous PTD claim are out of time and I have issued a separate decision about our jurisdiction to deal with those complaints.

Once Phoenix Life has reassessed Mr R's PTD claim, if he is unhappy with its claim decision, he can raise a new complaint and refer that to the Financial Ombudsman Service within the usual time limits.

I note Mr R said he wanted to provide additional information to me directly but I am satisfied I have sufficient information to reach a final decision. I appreciate they may be disappointed and this isn't intended as a discourtesy to Mr and Mrs R at all. As an alternative dispute resolution service, I must progress cases as quickly as possible and with minimum formality.

My final decision

For the reasons set out above, I direct Phoenix Life Limited trading as Standard Life to retrospectively reassess Mr R's claim for PTD benefit.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 4 March 2026.

Shamaila Hussain
Ombudsman