

## **The complaint**

Mr J complains that Millennium Insurance Company Limited has turned down an unemployment claim he made on a short-term income protection insurance policy.

All references to Millennium include the actions of its third-party administrator.

## **What happened**

The circumstances of this complaint are well-known to both parties. So I've simply set out a summary of what I think are the main events.

In October 2024, Mr J took out a short-term income protection insurance policy through a broker to provide him with accident, sickness and unemployment cover.

Unfortunately, in April 2025, Mr J's employment was ended by his employer and so Mr J made an unemployment claim on the policy.

Millennium obtained evidence from Mr J's former employer. It noted that Mr J's job had ended as the outcome of a formal performance improvement plan (PIP) which had started the previous month. The employer stated that it believed Mr J's dismissal had been within his control. Based on the employer's evidence, Millennium concluded that Mr J hadn't met the policy definition of 'unemployment' and so it turned down his claim.

Mr J was very unhappy with Millennium's decision. He didn't agree that his dismissal had been within his control and he provided Millennium with evidence which showed his performance while he was working. But as Millennium maintained its decision, Mr J asked us to look into his complaint.

Our investigator didn't think Millennium had acted unfairly. He felt it had been reasonable for it to rely on the employer's evidence to conclude that Mr J hadn't met the policy definition of unemployment.

Mr J disagreed and so the complaint's 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.

Having done so, whilst I'm very sorry to disappoint Mr J, I don't find that Millennium has unfairly turned down his claim and I'll explain why.

First, I'd like to say how sorry I was to hear about the difficult situation Mr J finds himself in. I don't doubt this has been a very worrying time for him. I'd also like to reassure Mr J that while I've summarised the background to his complaint and his submissions to us, I've carefully considered all he's said and sent us. In this decision though, I haven't commented on each point that's been raised and nor do our rules require me to. Instead, I've focused on what I consider to be the key issues.

I must also make the parameters of this decision clear. It seems, from Mr J's submissions, that he believes his employer didn't act fairly when it ended his employment. I understand he'd also have liked us to contact his employer for more information about his dismissal. However, my role is to look into whether I think Millennium – as Mr J's insurer and a regulated financial business - treated Mr J fairly when it assessed his income protection insurance claim. I have no power to investigate or consider employment disputes or whether an employer has followed relevant rules and procedures because such issues simply aren't regulated activities under our rules.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. I've taken those rules into account, amongst other relevant considerations, such as regulatory principles, the policy terms and the available evidence, to decide whether I'm persuaded that Millennium handled Mr J's claim fairly.

I've carefully considered the policy terms and conditions, as these form the basis of the contract between Mr J and Millennium. Mr J made an unemployment claim on the policy, after he lost his job. So, I'm satisfied it was reasonable and appropriate for Millennium to assess whether or not Mr J met its policy definition of unemployed/unemployment. This says:

*'You are out of Work **directly due to circumstances beyond Your control**, and You must be:*

- *Receiving Income Support, Job Seekers Allowance or You do not qualify for these benefits because You have been entitled to make reduced national Insurance contributions in the past.*
- *Actively seeking Work*
- *Registered as available for Work at a Job Centre Plus or the Department of Health and Social Security in Northern Ireland.*
- *Entirely without employment for either payment or reward.*
- *Not in receipt of wages in lieu of notice.'* (My emphasis added).

In my view, Millennium has clearly defined what it means by unemployed/unemployment and has set out in a clear and not misleading way that such unemployment must be due to circumstances beyond a policyholder's control. I don't find Millennium's definition to be vague or ambiguous. While I acknowledge that Millennium hasn't defined what it means by 'circumstances beyond your control', I'm satisfied it's fair to apply the plain and ordinary meaning of the phrase. And I consider most reasonable consumers would understand the plain and ordinary meaning of the phrase to be a situation that someone is unable to change or control.

As the investigator explained, it's for a policyholder to provide an insurer with enough evidence to show they have a valid claim on a policy. That means it was Mr J's responsibility to show that his claim met the definition of unemployment and that his claim was otherwise covered by the terms of the contract.

In this case, Millennium contacted Mr J's employer directly to ask about the circumstances that had led to the ending of Mr J's employment. Millennium was provided with a copy of the PIP which began in March 2025 and which listed the broad targets Mr J needed to meet. Mr J's employer completed a questionnaire relating to his dismissal. It stated that Mr J's job had ended due to a *'Failed Performance Improvement Plan'*. The questionnaire noted that Mr J had been told his job would end if his performance didn't improve under the PIP. And Millennium asked the employer whether it considered Mr J's employment had ended directly due to circumstances within his control. The employer answered: *'Based on the outcome of*

*a formal Performance Improvement Plan, the circumstances that led to Mr J's dismissal were related to performance and therefore considered to be within his control.'*

It's clear how strongly Mr J feels the ending of his employment was entirely beyond his control. But I don't find it was unreasonable for Millennium to have placed significant weight on the evidence provided by Mr J's employer which set out its reasons for deciding to dismiss Mr J. In my opinion, the employer has set out in clear terms that Mr J's employment was ended because he hadn't passed a PIP. So I'm satisfied Millennium didn't act unfairly or unreasonably when it concluded that Mr J hadn't become unemployed for reasons entirely beyond his control. And on that basis, I find it was reasonable for Millennium to decide that Mr J didn't meet the definition of unemployed/unemployment and that therefore, he didn't have a valid claim on the policy.

Mr J has raised concerns that the unemployed/unemployment definition wasn't included in the insurer's Insurance Product Information Document (IPID). He feels this is a breach of the regulator's rules. But I disagree. The regulator's rules, in brief, say an IPID must include the following, amongst other things:

*'A summary of the insurance cover, including the main risks insured, the insured sum and, where applicable, the geographical scope and summary of excluded risks and main exclusions where claims cannot be made.'*

An IPID can't reasonably be expected to contain every term or definition – it's intended to be an at a glance summary of the main features, benefits and exclusions of a policy. So I don't find that Millennium's acted unreasonably by deciding not to include the unemployment definition in the IPID and instead focused on the key benefits, exclusions and restrictions on cover.

Overall, despite my natural sympathy with Mr J's position, I don't find that Millennium has acted unreasonably or unfairly. I'm satisfied it was fair for Millennium to turn down his claim.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

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

Lisa Barham  
**Ombudsman**