

The complaint

Mr H complains because British Friendly Society Limited ('BFSL') hasn't paid a claim under his income protection insurance policy.

What happened

Mr H bought an income protection insurance policy, provided by BFSL, in April 2020 through an independent broker.

In 2024, Mr H made a claim under the policy which BFSL declined. It said the claim arose from hearing issues and stress, both of which it considered to be pre-existing medical conditions which were excluded under the policy.

Unhappy, Mr H complained. BFSL maintained its stance that stress was a pre-existing medical condition but accepted there was no evidence that Mr H's hearing issues fell under the policy exclusion. However, BFSL said it thought the claim arose from a lack of availability of work rather than from incapacity, so a benefit wasn't payable under the policy anyway.

As Mr H remained dissatisfied, he brought the matter to the attention of our Service. One of our Investigators looked into what had happened and said she didn't think BFSL had acted unfairly or unreasonably in the circumstances. Mr H didn't agree with our Investigator's opinion, so the complaint was referred to me to make a decision as the final stage in our process. I made my provisional decision about Mr H's complaint earlier this month. In it, I said:

'It's clear to me that Mr H has had a very difficult time personally, medically and financially and I'm really sorry to hear about everything he has been through. While I've considered this complaint with the utmost sympathy, my role is to reach an independent and impartial outcome which is fair and reasonable to both parties to the complaint.'

When making this provisional decision, I'm only considering the regulated activity which BFSL is responsible for and that is the decision to decline Mr H's claim. This policy was sold by a third-party broker who is entirely separate to and independent of BFSL, and who is regulated in its own right. If Mr H is unhappy with any aspect of how this policy was sold to him then he'd need to complain to the broker who was responsible for the sale in the first instance before our Service would have the power to look into a complaint about those issues.

I have an investigative remit to review the circumstances of a complaint as a whole and, so, I'm not limited to solely considering the reasons which BFSL and/or our Investigator gave as explanations for the decline of Mr H's claim. I should also say that I'm not a medical expert, and it's not part of my role to reach my own conclusions about Mr H's medical conditions. Instead, I've taken into account the available medical evidence to decide whether I think BFSL's actions were fair and reasonable in the circumstances. I've also considered relevant industry rules relating to the handling of insurance claims when reaching my provisional outcome.

After our Investigator issued her opinion about this complaint, Mr H provided us with additional medical evidence (namely, audiometry results dated 27 September 2024, and medical reports dated 15 November 2024 and 11 March 2025). BFSL has now been given the opportunity to review and comment on this evidence, as is required by the rules that govern our Service. I'm satisfied, based on the circumstances of this complaint, that it's appropriate for me to consider this additional evidence within my provisional decision.

In order for a benefit to be paid to Mr H under this income protection insurance policy, he needs to demonstrate that he meets the policy definition of 'incapacity' throughout the deferred period (which, in this case, is four weeks) and beyond. The policy defines 'incapacity' as follows:

'This means that you are totally unable to carry out your occupation due to physical or mental illness or injury resulting in a complete or partial loss of income.'

So, Mr H needs to provide medical evidence to demonstrate that he is totally unable to work for any employer (not just his previous employer) due to illness. I don't doubt that Mr H is ill, but being ill doesn't automatically mean Mr H is entitled to have a policy benefit paid to him.

I accept Mr H's submissions that he isn't making a claim for stress. So, I don't think it's necessary for me to make any findings on whether such a claim would be covered. Instead, Mr H's claim relates to hearing loss causing balance, dizziness issues and tinnitus. I'm satisfied, based on the medical evidence I've seen, that this hearing loss doesn't fall under the definition of a 'pre-existing medical condition' which the policy excludes cover for.

However, I'm not satisfied Mr H has provided sufficient medical evidence which demonstrates that his claim has arisen from hearing loss rather than from the lack of availability of work with his previous employer and/or that this hearing loss means Mr H is totally unable to carry out his occupation with any employer.

Mr H's policy doesn't cover claims where the policyholder becomes unemployed without suffering from any incapacity or after incapacity. The medical evidence shows Mr H was experiencing issues with his hearing from around December 2023. Mr H continued to work for his former employer during this time. In February 2024, Mr H received notice from his former employer that his employment would be terminated at the end of that month. The day after receiving this notice, Mr H contacted his former employer to say he wasn't feeling well, would be taking sick leave and obtained a 'Statement of Fitness for Work' from his GP.

I haven't seen any medical evidence to show that Mr H's hearing issues deteriorated to such an extent that he met the policy definition of incapacity and was totally unable to carry out his occupation from the date he was first absent from work due to illness.

I understand Mr H says his condition is classified as a disability. Mr H has described the impact on his ability to drive and carry out site visits and says he was told there is nothing more his doctors can do to help, but I haven't seen any evidence from a qualified medical professional in support of this. I accept the additional medical evidence from March 2025 says Mr H's hearing issues have further declined. The report also says Mr H's ability to carry out day-to-day activities without corrective measures such as hearing aids has been affected, but I don't think this is persuasive evidence that Mr H was totally unable to carry out his occupation.

Insurance like this is designed to provide a benefit if certain criteria set out in the policy terms and conditions are met – it doesn't provide a guarantee that all situations of illness, regardless of the circumstances, will be covered – and Mr H unfortunately hasn't met the criteria for a claim to be paid to him.

I'm sorry to disappoint Mr H but I don't think his claim is covered under the terms and conditions of his policy and I don't think BFSL has acted unfairly or unreasonably by declining his claim.

BFSL was carrying the risk of Mr H making a claim under the policy while he was paying the premiums. So, BFSL is entitled to retain those premiums, regardless of whether any successful claims were made. I've taken into account BFSL's incorrect categorisation of Mr H's hearing issues as pre-existing but, in circumstances where I don't think the claim is covered anyway, I don't think it would be fair or reasonable to require BFSL to pay Mr H compensation.

So, I don't currently intend to direct BFSL to do anything more.'

BFSL didn't respond to my provisional decision. Mr H replied and asked for an extension of time to send us more medical evidence. Mr H provided more details about the timing of events leading up to him taking sick leave, asked about my qualifications to make findings about the medical evidence in this case and requested that I obtain expert medical opinion before making a final decision about his complaint.

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.

It's not possible for Mr H to continue to 'add' additional evidence for consideration under this complaint reference number. Our Service has no power to comment on evidence unless the business involved has been given the opportunity to consider it first. If Mr H thinks he will have additional evidence following an upcoming medical appointment which demonstrates that he met the policy definition of 'incapacity' throughout the relevant deferred period and beyond, then he'd need to send this to BFSL for it to consider in the first instance, before bringing a new complaint to our Service about whether that additional evidence changes the claim outcome.

I have no medical qualifications. It's not my role to make my own judgements about Mr H's medical conditions. My role is to weigh up the available medical evidence and decide whether I think BFSL acted unfairly or unreasonably when relying on this to turn down Mr H's claim. I don't think it did, because I don't think the available medical evidence supports a conclusion that Mr H met the policy definition of 'incapacity'. We consider complaints based on the evidence presented to us. It's for Mr H to provide medical evidence in support of his claim and our Service doesn't obtain our own medical evidence on behalf of the parties to a complaint.

I've taken into account what Mr H has told us about his medical conditions, and I accept what he has said about telling his former employer he was unwell before receiving notice of termination. I understand Mr H has had difficulties obtaining medical evidence and I acknowledge that waiting times are outside of his control. However, this doesn't change my decision that Mr H hasn't provide sufficient medical evidence which does demonstrate that he has a valid claim under the policy. There simply aren't any reasonable grounds upon which I could fairly direct BFSL to pay Mr H's claim in these circumstances.

I have every sympathy for Mr H's situation and I'm very sorry to hear about the impact this has had on his life, but I won't be changing my decision.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 December 2025.

Leah Nagle
Ombudsman