

The complaint

Mr M complains because Arch Insurance (UK) Limited hasn't paid a claim under his income protection insurance policy.

All references to Arch include the agents appointed to administer claims on its behalf.

What happened

Mr M holds an income protection insurance policy provided by Arch. The policy was bought through an independent broker and started in April 2024.

Mr M made an unemployment claim under the policy. Arch declined the claim because it said Mr M didn't meet the policy definition of '*actively employed*' and that he had left his employment voluntarily. Arch later acknowledged Mr M hadn't left voluntarily but maintained its stance that he didn't meet the policy criteria for a claim to be paid.

Unhappy, Mr M brought a complaint to the attention of our Service. One of our Investigators looked into what had happened and said she didn't think Arch 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 sorry to hear about the difficult financial circumstances Mr M is in. I have every sympathy for his situation but, when making an independent and impartial decision, I must reach an outcome which is fair and reasonable to both parties to the complaint.

When making this final decision, I'm only considering the regulated activities which Arch is responsible for. The policy administrators in this case were acting on behalf of Arch. Mr M has expressed unhappiness about the past actions of the same policy administrators in relation to a different insurance policy, with a different underwriter. Arch isn't responsible for this. And, neither Arch nor the policy administrators are responsible for the sale of the policy. The broker who sold the policy is an entirely separate business, independent to Arch. If Mr M is unhappy with how this policy was sold and/or with information given to him at the time of the sale, then this would need to be the subject of a separate complaint against the broker.

Mr M's policy schedule says his policy has a 60-day waiting period. I'm satisfied this is correct, and there hasn't been any error by Arch with regard to this. I have no reason to doubt the explanation which Arch has given Mr M about the metadata information he queried. I'm also satisfied, based on the evidence I've seen, that Arch sent the policy schedule to Mr M.

Industry rules set out by the regulator say an insurer must handle claims fairly and shouldn't unreasonably reject a claim. I've taking these rules, alongside other relevant considerations

such as those quoted by Mr M, into account when considering Arch's actions here.

It's no longer in dispute that Mr M didn't leave his employment voluntarily, so I don't need to make any finding on this point. The policy terms and conditions say a benefit will be paid to a policyholder, in certain circumstances, if they have been actively employed in their normal job or occupation for at least 6 consecutive months immediately prior to becoming unemployed. The policy defines *'actively employed'* as *'Performing your normal role and attending your place of employment for at least 16 hours per week'*.

In order for a benefit to be paid to Mr M under this policy, he must meet all the necessary requirements set out under the terms and conditions – not just some of them. I don't agree with Mr M's submissions that he only needs to meet one of the criteria. That's not how income protection insurance policies work. I'm satisfied the policy terms are clear and unambiguous in outlining what criteria Mr M needs to meet. I'm also satisfied that the requirement for a policyholder to work at least 16 hours per week is appropriately highlighted in the relevant policy documents.

The evidence which I've seen from Mr M's former employer shows he wasn't working for at least 16 hours per week in the 6 months immediately prior to his unemployment. The fact that Mr M was working more than 16 hours a week before this, or the fact that Mr M met other policy conditions and/or was paying premiums, doesn't mean his claim is payable.

This means Mr M's claim isn't covered under the terms and conditions of his policy and Arch hasn't acted unfairly or unreasonably by declining his claim.

I understand Mr M may have had no control over his working hours. I also understand Mr M closed a company to meet one of the other requirements for a claim to be paid to him. But these aren't reasons upon which I could fairly require Arch to pay a benefit to Mr M in circumstances where he doesn't meet other policy requirements.

I'm sorry to disappoint Mr M but I won't be directing Arch 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 31 December 2025.

Leah Nagle
Ombudsman