

The complaint

Mr S complains because Royal London Mutual Insurance Society, Limited (THE) ('Royal London') hasn't paid a claim under his income protection insurance policy.

What happened

Mr S is insured under an income protection insurance policy provided by Royal London. Mr S made a claim because he was absent from work due to stress.

Royal London said the claim wasn't covered because the policy wasn't intended to cover workplace stress and Mr S hadn't demonstrated that he met the policy definition of 'incapacity'. Unhappy, Mr S complained to Royal London before bringing the matter to the attention of our Service.

One of our Investigators looked into what had happened and said he didn't think Royal London acted unfairly or unreasonably by declining Mr S's claim. Mr S 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've read and carefully thought about all the submissions Mr S has made but I won't be referring to every complaint point he has raised, and I'm not obliged to do so. Instead, reflecting our Service's role as an informal alternative to the civil courts, I'll only be addressing what I consider to be the key issues. I should also say that previous decisions made by the Financial Ombudsman Service don't set precedent. My role is to make an independent and impartial decision which I think is fair and reasonable to both parties in the circumstances, based solely on the specific facts of Mr S's individual case.

Industry rules set out by the regulator say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, alongside other relevant regulatory principles, into account when making my final decision.

I'm not a medical expert, so it's not my role to reach my own conclusions about Mr S's medical condition. Instead, I've weighed up the available medical evidence to decide whether, on the balance of probabilities, I think Royal London acted unfairly or unreasonably when turning down Mr S's claim.

This policy pays a benefit if Mr S met the policy definition of incapacity throughout, and beyond, the relevant deferred period from the date of his first absence from work. So, in order for a claim to be successful, Mr S needs to provide medical evidence to show he has an illness or injury to the extent that he is *'unable to do the material and substantial duties'* of his own occupation.

In order for a benefit to be paid, Royal London must be satisfied that Mr S is suffering from a

recognised illness which prevents him from carrying out his occupation for any employer in any workplace. A policyholder doesn't meet the policy definition of incapacity if they are unable to carry out their particular job role for their particular employer only.

I'm not disputing that Mr S is unwell and I'm sorry to hear about his difficult financial situation. However, an income protection insurance benefit isn't payable in all circumstances and it's for Mr S to demonstrate that he has a valid claim under the policy.

Stress isn't a recognised medical condition, so suffering from stress wouldn't generally mean that a policyholder meets an income protection insurance policy definition of 'incapacity'. Situational stress in the workplace which means a person is unable to do their own job isn't the same as being unable to perform their occupation due to illness more generally. When situational stress is resolved then an employee is likely to be able to return to work.

In any event, I wouldn't generally consider that GP medical certificates alone are sufficient evidence to demonstrate that a person is unable to perform their own occupation. Although such certificates do carry evidential weight, they usually contain limited information and are based on self-reported symptoms. The threshold for a GP to issue such certificates is not necessarily the same as the policy requirements for an income protection insurance claim to be paid.

Based on the medical certificates which Mr S has provided, it doesn't seem to be in dispute that his absence from work has been caused by work-related stress rather than by any underlying or more general mental health condition(s). And I don't think the fact that Mr S's employer has arranged a referral to Occupational Health is persuasive evidence that he has demonstrated he meets the requirements for a policy benefit to be paid to him either.

I'm satisfied Royal London was entitled to rely on the medical evidence Mr S presented to it when making a decision about his claim. I don't think there was any requirement on Royal London to gather further medical information or evidence, or to arrange for an independent medical examination in these circumstances. And I don't agree with Mr S's submissions that Royal London somehow elevated the burden of proof required of him.

Overall, I don't think the medical evidence demonstrates it's more likely than not that Mr S met the policy definition of incapacity. This means I don't think Mr S has demonstrated that he has a valid claim which Royal London ought to have paid. So, I don't think Royal London acted unfairly or unreasonably by turning down Mr S's claim.

There are no reasonable grounds upon which I could fairly direct Royal London to refund the policy premiums to Mr S. Royal London was bearing the risk of a valid claim being made while the policy has been running, so it is entitled to keep the premiums Mr S paid to reflect this. Royal London wasn't responsible for the sale of this policy. If Mr S thinks the policy was mis-sold to him then he'd need to complain directly to the seller of the insurance in the first instance before our Service would have the power to consider any complaint about that matter.

I'm sorry to disappoint Mr S and I wish him well for the future, but I won't be directing Royal London to do anything more.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 April 2026.

Leah Nagle
Ombudsman