

The complaint

Mr W is unhappy that British Friendly Society Limited have declined a claim he made on an income protection policy and with delays in handling the claim.

What happened

Mr W applied for an income protection policy. During the application process Mr W was asked questions about his medical history. He later claimed on the policy and the claim was declined and the policy was cancelled.

Mr W complained but British Friendly maintained their decision was fair. They said Mr W hadn't answered the medical screening questions accurately and, had he done so, he wouldn't have been offered the policy. They considered his actions to have been reckless. Although it wasn't mentioned in their final response letter British Friendly did also offer Mr W £50 compensation for some delays during the claims process. Unhappy, Mr W complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. She was satisfied British Friendly had acted fairly and in line with the relevant legislation. She also explained if Mr W was unhappy with the sale of the policy, he'd need to pursue a separate complaint against the business that sold it. She also thought the offer of £50 compensation was fair.

Mr W didn't agree and asked an ombudsman to review the complaint. He said he'd disclosed all the relevant information but only the recording from the application had been considered. So, the complaint was passed to me to make a 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.

The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.

And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

British Friendly say that Mr W failed to take reasonable care when answering the medical

questions. That includes the following questions when he applied for the policy in March 2024:

'Have you ever had any of the following?

- Pre-diabetes, impaired glucose tolerance, raised blood sugar or sugar in your urine'

[...]

'Apart from anything you've already told us about, in the last 5 years (whether or not you've seen a doctor), have you had any of the following [...]

- Back or neck pain including sciatica, slipped disc, whiplash, trapped nerves or muscular back pain

- Any joint or muscle pain, any type of arthritis, gout, or anything else affecting your bones, joints, muscles, limbs, ligaments or tendons, including carpal tunnel syndrome, repetitive strain injuries or fractures

- Raised blood pressure or raised cholesterol

- Any symptoms of asthma, bronchitis, chronic obstructive pulmonary disease (COPD), sleep apnoea, recurrent chest infections or any other condition affecting your lungs or breathing

- Any disease or disorder of your skin e.g. eczema, dermatitis or psoriasis, or any allergies that have prevented you from working, required prescription medication or hospital treatment'

[...]

'Apart from what you've already told us about, in the last 5 years have you had any mental health issue including, but not limited to, anxiety or stress, depression, low mood, work stress or insomnia, regardless of whether or not you've seen a doctor?'

There's no dispute that Mr W did disclose some information about his medical history during the application process. But I think it was fair to conclude that he didn't disclose enough information about his recent history of back pain and several other conditions including high blood pressure, gout, pre-diabetes, asthma, eczema and mental health conditions. I'm satisfied that was a fair conclusion for British Friendly to reach based on the available medical evidence.

A copy of the application form was also sent to Mr W to review to check the information was correct. Mr W says that British Friendly were using the wrong email address, but as the application was submitted via Mr W's financial advisor it seems most likely they were using the contact details supplied at the point of application. And, in any event, the information was also sent to Mr W's home address.

Mr W says that he disclosed his mental health condition and other conditions during the application call. But that's not reflected in the contents of the call I've listened to as he related his mental health condition to the loss of a close relative around ten years ago. If Mr W is unhappy with how the policy was sold, or how the information he provided was presented to British Friendly that's something he'll need to complain about to the seller of the policy. British Friendly were reasonably entitled to rely on the information presented during the application process. So, on the basis of the evidence presented, I don't think they've

done anything wrong here.

As I think Mr W did make a misrepresentation I've gone on to consider whether it was a qualifying one. British Friendly has provided detailed underwriting evidence which demonstrates that if they'd been aware of Mr W's health conditions they wouldn't have offered him a policy. This means I'm satisfied Mr W's misrepresentation was a qualifying one.

British Friendly has said Mr W's misrepresentation was reckless. I think that was a reasonable conclusion to reach given that so much medical information was omitted from the application form and the issues were recent or current. So, I've looked at the actions British Friendly can take in accordance with CIDRA.

In such circumstances they are entitled to decline the claim, cancel the policy and retain the premiums. That means the actions they've taken are in line with CIDRA.

I've looked at the British Friendly's handling of the claim. Mr W's claim was complex and, as information about his health became apparent at different points in the process, this meant British Friendly needed to ask for more information. They offered £50 compensation for some delays in asking Mr W for information. I think that's fair and reasonable and I don't think they need to do anything further to put things right.

My final decision

British Friendly Society Limited has already made an offer to pay £50 to Mr W to settle the complaint and I think that's fair in all the circumstances.

My final decision is that British Friendly Society Limited should pay £50 to Mr W if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 March 2026.

Anna Wilshaw
Ombudsman