

The complaint

Mr R complains Society of Lloyd's (SoL) declined a claim he made under a personal accident insurance policy.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

Mr R was covered under a group insurance policy through his former employer. The policy was provided by SoL and included personal accident cover. In 2010 Mr R was unfortunately involved in an accident and injured his back.

In 2025 Mr R contacted SoL as he was looking to claim under the policy for permanent total disablement due to his accident in 2010. SoL considered Mr R's claim but declined it saying in order to successfully claim Mr R would have needed to be permanently totally disabled within 12 months of the accident. Mr R raised a complaint.

On 29 September 2025 SoL issued Mr R with a final response to his complaint. It said based on the evidence it had seen, it thought it had been clearly established that Mr R's accident in 2010 didn't cause a permanent total disablement within 12 months of the accident. Mr R didn't think this was reasonable and so referred his complaint to this Service.

Our Investigator looked into things but didn't uphold the complaint. Mr R didn't agree with our Investigator. He provided a detailed response but in summary he said:

- The policy only requires the accident to occasion disablement within 12 months of the accident. It doesn't require the disablement to be proven permanent by this date.
- There is clear contemporaneous evidence of disablement occurring within the policy's 12 month timeframe.
- He notified SoL of the claim as soon as he reasonably could as he was declared totally permanently disabled in 2025.

As an agreement couldn't be reached, the complaint has 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.

I want to acknowledge I've summarised Mr R's complaint in less detail than he's presented it. I've not commented on every point he's raised. Instead, I've focused on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr R and SoL I've read and considered everything that's been provided.

The relevant rules and industry guidelines explain SoL shouldn't unreasonably reject a claim.

The terms of Mr R's policy explain SoL will pay benefit if the insured person sustains a bodily injury caused by an accident. Bodily injury is defined in the policy as:

'Bodily injury means identifiable physical injury which

a) is caused by an Accident, and

b) solely and independently of any other cause, except illness directly resulting from, or medical or surgical treatment rendered necessary by such injury, occasions the death or disablement of the insured person within twelve months from the date of the Accident.'

'Disablement' on its own isn't defined in the policy, but the policy does define temporary total disablement, temporary partial disablement and permanent total disablement. Permanent total disablement is defined as:

'Permanent total disablement means disablement which entirely prevents the Insured Person from attending to any business or occupation for which they are reasonably suited by training, education or experience and which lasts twelve months and at the end of that period is beyond hope of improvement.'

SoL has declined Mr R's claim because it has said his accident didn't cause permanent total disablement within 12 months of the date of his accident. However, Mr R has said the policy terms don't require him to be permanently totally disabled within 12 months of the accident, it only requires that the accident caused disablement. The permanence of this disablement can occur at a later date.

Whilst I acknowledge the policy doesn't include a separate definition of 'disablement', I think it's reasonable to conclude that when the policy refers to disablement, it relates to temporary total disablement, temporary partial disablement or permanent total disablement given these are specifically defined within the terms.

So, I'm satisfied, based on the terms of the policy and the policy definition of 'bodily injury', that in order to receive benefit for permanent total disablement, Mr R would need to demonstrate his bodily injury meant he was permanently totally disabled, and this would have to occur within 12 months of his accident.

I know Mr R has a different interpretation of the policy terms but for the reasons explained, I think SoL has reasonably interpreted the policy terms when considering his claim.

The evidence provided shows following Mr R's accident in 2010 he continued to work at the same employer for over a year following his accident. He has also said he worked in an alternative occupation from 2014 until 2021, albeit with some accommodations such as extensive breaks. So, I don't think it was unreasonable for SoL to conclude that Mr R didn't meet the definition of permanent total disablement within 12 months of his accident. It follows that I don't think it was unreasonable for it to decline his claim for permanent total disablement.

I acknowledge within its final response SoL has pointed to a condition of the policy which requires Mr R to report any accident which may cause a claim as soon as reasonably practicable. However, as I think SoL were reasonable to decline Mr R's claim for the reasons set out above, I don't consider it necessary for me to comment on its application of this condition.

I naturally empathise with Mr R given his injury and the difficulties this has caused him. However, for the reasons I've explained I don't think SoL has acted unreasonably when it declined his claim for permanent total disablement.

My final decision

For the reasons I've outlined above, I don't uphold Mr R's complaint about Society of Lloyd's.

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

Andrew Clarke
Ombudsman