

## **The complaint**

Mrs D's complained that Canada Life Limited ("CLL") unfairly declined the claim she may on her employer's critical illness policy after she was diagnosed with multiple sclerosis.

## **What happened**

In April 2024, Mrs D joined her employer's group critical illness scheme. A couple of months later, she began experiencing issues with sickness and dizziness, as well as symptoms which led to suspicion she'd had a stroke. In late September, she was diagnosed with multiple sclerosis (MS). So she submitted a claim to CLL, the scheme provider.

CLL reviewed the available evidence and declined the claim on the basis Mrs D had suffered from numbness in her hand in the two years before she joined the scheme. They said this fell within the definition of a "related condition" for MS. And so cover was excluded.

Mrs D complained but CLL didn't change their claim decision. So Mrs D brought her complaint to our service. When they were notified of this, CLL reviewed the matter. They didn't change their view that they were right to decline the claim. But they said they had taken longer to deal with her claim and complaint than they aim to. They offered Mrs D £150 for this.

Our investigator reviewed the information provided by both parties and concluded CLL didn't need to do anything more than they had offered to resolve the complaint. She was satisfied that their decision to decline the claim was fair and reasonable, based on the policy terms and the medical evidence. And she thought the £150 they'd offered was enough to compensate Mrs D for the length of time it had taken to deal with the claim and the complaint.

Mrs D didn't agree with our investigator's view. So I've been asked 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.

Having done that, I'm not directing CLL to do any more than they've offered to resolve Mrs D's complaint. I know Mrs D will be disappointed by my decision and I'm sorry about that. I hope it will help if I explain why I've made it. I'll do so, focusing on the points and evidence I consider material to my decision and Mrs D's response to our investigator's view. So, if I don't mention something particular, it's not because I haven't thought about it. Rather, it doesn't change the outcome of the complaint.

Mrs D is covered under her employer's group policy. As CLL have explained in their correspondence, that makes it impractical to assess the risk each employee's health presents. So, rather than have employees complete individual health questionnaires, insurers manage risk by defining and excluding pre-existing, related or associated conditions.

In this case, CLL say Mrs D had a related condition before she joined the scheme. The relevant section of the policy says:

*“No benefit will be payable for any insured illness...where any related condition (see tables in Section 2 – what is covered and Section 3 optional additional cover) existed at any time prior to:*

- *the insured person or child’s inclusion in this Policy,*
- *the insured person or child’s inclusion in a previous group critical illness policy arranged by you or any other employer in connection with the member’s employment, if earlier, or*
- *the date of inclusion of the insured illness in the Policy, if later.*

*The related conditions exclusion will not be applied if the insured illness occurs 2 or more years following any of the dates listed above.”*

MS is a covered condition. And its related conditions are:

*“Any form of neuropathy, encephalopathy or myelopathy (disorders or function of the nerves), abnormal sensation (numbness) of extremities, trunk or face, weakness or clumsiness of a limb, double vision, partial blindness, ocular palsy, vertigo (dizziness), difficulty of bladder control, optic neuritis, spinal cord lesion and abnormal MRI scan.”*

I’ve reviewed Mrs D’s medical notes. These record that she had numbness in her hand – specifically her thumb - in 2022 and 2023. But Mrs D has submitted that it’s not fair to say that means she had a related condition. I’ve thought very carefully about this.

Mrs D has provided a letter from her neurologist to support her submissions, which I’ve read. I accept that the sensation she experienced was intermittent and didn’t form part of the reason she was diagnosed with MS. But her GP’s notes are clear that she did suffer from abnormal sensation before she joined the scheme. And I think the section above makes clear that *“any form of”* abnormal sensation would be viewed as a related condition. So I can’t fairly say the numbness recorded on Mrs D’s records should be discounted.

I’ve also considered the copy of the report Mrs D sent in from an orthopaedic surgeon. This says that, earlier this year, Mrs D sought advice for pain around her thumb joint, which would be treated with cortisone injections. But it doesn’t refer to any issues of numbness, or link the numbness recorded in 2022 and 2023 with the pain she sought treatment for in early 2026. So I’m not persuaded I can say this should change CLL’s decision.

Mrs D also said it was unfair for CLL to rely on medical records dating back more than two years because the exclusion only applies for the two years before she joined the scheme. I’ve thought about this, but I don’t agree with Mrs D’s interpretation of the policy. I accept that the exclusion won’t apply if the insured illness – MS - occurs more than two years after she joined the scheme. But the relevant part of the section here says no benefit will be payable if the related condition *“existed at any time prior to”* Mrs D joining the scheme.

“Existed” is itself defined as:

*“an insured illness or related condition is said to have existed if it was:*

- *first diagnosed, or*
  - *treated, or*
  - *known to the insured person or child*
- prior to the date of inclusion....”*

It's clear from the fact she consulted her GP that Mrs D knew she had numbness before she joined the scheme. So I think it's fair to say it existed. And the use of the phrase "*at any time prior to*" means there is no limit on how long ago the related condition occurred. So, overall, I think CLL declined the claim fairly and reasonably, and in line with the policy terms.

Finally, I've thought about the amount of compensation CLL have offered Mrs D. Our investigator said this was a reasonable amount to reflect the time it took them to deal with her claim and complaint. Mrs D rejected that offer, saying it didn't reflect the impact of the stress the 14 week appeal period had on her.

I do understand Mrs D found the process stressful. But I don't think it's reasonable for me to increase the amount of compensation CLL should pay. While CLL say they aim to deal with appeals/complaints in four weeks, the rules applicable to complaint handling say they must give a customer a response within eight weeks. So, I can't say they should have dealt with the appeal faster than that.

And if a business can't provide their final response within eight weeks, the rules say they should provide the customer with the details of our service, so we can investigate. CLL did that. And, although Mrs D has complained they reviewed further medical information in this time, I think that was reasonable to satisfy themselves they'd properly considered the claim.

I can only say CLL should compensate Mrs D for delay they could have avoided. It's clear that they used the 14 week period to review their decision and gather additional evidence to check it was right. Taking that into account, I'm satisfied that the £150 they've previously offered is a reasonable sum for CLL to pay Mrs D to recognise the delays in their process and they should now pay this. But I don't think they need to do more than that to resolve Mrs D's complaint.

### **My final decision**

For the reasons I've explained, I'm directing Canada Life Limited to pay Mrs D the £150 compensation previously offered to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 20 May 2026.

Helen Stacey  
**Ombudsman**