

complaint

Mr H is complaining about Unum Ltd because it declined a claim on his critical illness insurance policy.

background

Mr H took out a critical illness insurance policy in 2002. Sadly, he was diagnosed with cancer in 2015. Unum declined his claim because it said his illness didn't meet the definition in the policy terms.

Our adjudicator recommended the complaint be partly upheld. She felt the medical evidence showed Mr H's cancer was non-invasive, and noted cancers of this type aren't covered by the policy. But she did think Unum caused confusion caused by referring to the wrong policy terms when assessing the claim. She recommended it pay compensation of £200 for the trouble and upset this caused.

Mr H disagreed, maintaining the information he received wasn't sufficiently clear about what was and wasn't covered. And he's dissatisfied that Unum hasn't been able to provide an original version (rather than a copy) of the relevant policy conditions.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the adjudicator's conclusions for much the same reasons. I'm partly upholding this complaint.

I've reviewed the terms and conditions applicable when Mr H took his policy in 2002. The cancer definition says the following aren't covered:

All tumours which are histologically described as pre-malignant, as non-invasive or as cancer in situ

The medical evidence provided clearly reports that Mr H's cancer was non-invasive. As such it wasn't covered by the policy and I'm satisfied Unum was entitled to decline the claim.

I've reviewed the policy conditions and I'm satisfied the definition is clear. Mr H has provided copies of the sales literature he received that he thinks is less clear about the types of cancer that are covered. But that information wasn't intended to provide the full policy terms, simply an overview. Nonetheless, it does say that not all cancers are covered and refers the reader to the policy terms for details. So I don't think I can reasonably say this information is misleading or that it led Mr H to take out a policy when he wouldn't otherwise have done so.

It's also relevant to note that the model cancer definition contained in the guidance issued by the Association of British Insurers (ABI) at the time included exactly the same exclusion for non-invasive cancers as Unum used in its policy. Most insurers base their policy definitions on the ABI guidance and it would probably have been difficult to get a policy covering non-invasive cancer at that time, even if he had understood the Unum conditions and decided not to proceed.

The above notwithstanding, it's clear Unum caused some confusion by referring to the wrong conditions in assessing this claim. I think any confusion at a time when Mr H was ill would

have been upsetting and Unum should compensate him for that. The amount to award for trouble and upset is difficult to assess. But in the circumstances of this case, and given that the outcome of the claim wasn't affected, I'm satisfied a moderate payment of £200 is fair.

my final decision

My final decision is that I partly uphold this complaint.

If he accepts my decision, Unum Ltd must pay Mr H compensation of £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 February 2016.

Jim Biles
ombudsman