

complaint

Ms T complained that Legal & General Insurance Limited (L&G) wouldn't pay a claim she made on her income protection policy.

background

Ms T made a claim on her policy after losing her job. L&G said it wouldn't pay because she'd lost her job during the probationary period of a new job. It said a term of the policy meant such claims weren't covered.

Ms T said she'd been dismissed unfairly and so it wasn't reasonable for L&G to refuse to pay her claim.

Our adjudicator didn't think the complaint should be upheld. Ms T disagreed and so the case has come to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The policy says an unemployment claim won't be paid if:

"Your unemployment is caused by your employer terminating your contract within, or at the end of, your probation period."

Ms T's contract shows that her probationary period lasted six months. Her contract was terminated about four months after she started. Her employer said it ended her contract because she'd not satisfactorily completed her probationary period.

I think her circumstances do clearly fall within this "exclusion" in the policy, which means that L&G has correctly applied the policy and is allowed not to pay the claim.

I know that Ms T says very strongly that her employer acted unfairly in dismissing her. But this isn't the same thing as L&G acting unfairly.

I don't think L&G has suggested in the policy that it will take into account whether a dismissal was unfair during a probationary period.

When someone takes on a new job they know they're taking a risk that it mightn't work out. And it's normal for a new employer to impose a probationary period. An insurer is allowed to say it doesn't want to take on this higher risk, and this is what L&G has said by including this term of the policy.

And overall, I don't think L&G has been unreasonable in relying on this part of the policy, in the particular circumstances of this claim.

my final decision

I've not upheld this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 8 April 2016.

Timothy Bailey
ombudsman