Financial Ombudsman Service

complaint

Mr K isn't happy with St Andrew's Insurance Plc's handling of his claim for unemployment benefits made under a payment protection insurance policy and his later complaint.

background

Mr K sent St Andrew's his claim form in July 2014. St Andrew's asked Mr K for more information which hadn't been provided with the claim form.

St Andrew's told Mr K in September 2014 it had agreed to pay the claim from September 2014. It then explained it had told him that by mistake, and that in fact the claim wasn't payable. St Andrew's apologised and offered to pay him £150 as compensation for its mistake. It didn't agree that it had delayed the claim.

Mr K complained to us. Our adjudicator didn't recommend the complaint be upheld. She felt St Andrew's hadn't delayed the claim. She agreed St Andrew's had disappointed Mr K by incorrectly telling him in September 2014 his claim would be paid but felt its offer of compensation was fair.

Mr K didn't agree with the adjudicator. He felt the original claim form said if he wasn't in receipt of job seeker's allowance ("*JSA*"), he could provide certain evidence as an alternative. He said he provided alternative evidence but St Andrew's still didn't pay the claim.

my findings

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

Mr K has previously raised a complaint about St Andrew's decision to turn down his claim. That was set up as a separate complaint from this one. Although clearly there's a strong link between the two complaints and the information surrounding them.

I realise that Mr K has also raised a complaint about the sale of the policy. Since the policy was sold by another financial business and not St Andrew's, we've set that complaint up separately from this one.

So to be clear, in this decision I've focussed on how St Andrew's dealt with the claim rather than the fairness of the decision it eventually reached.

In September 2014, St Andrew's wrote to Mr K twice to say it would be paying his claim. It told him how long it would be paying the claim for and what the benefits totalled. Soon after, St Andrew's realised its mistake and wrote to Mr K to let him know. It apologised and offered him £150 as compensation for the distress it had caused.

In the circumstances, I think the amount was fair. Although ideally St Andrew's wouldn't have made the mistake in the first place, in reality it did. It corrected the error within a short space of time and offered adequate compensation. That being the case, I don't think St Andrew's should pay any more for that part of the complaint.

Mr K's also unhappy with other aspects of St Andrew's handling of the matter. He says St Andrew's kept changing its mind about the evidence it needed to prove the claim. And that it repeatedly delayed the claim, for example by not replying to emails.

Having carefully reviewed the file and listened to the available call recordings, I can't see that St Andrew's was responsible for delaying the claim. I think it chased for the information it needed and was clear about what information it wanted. Regarding what was needed from Mr K to prove his claim, the claim form said if he wasn't receiving JSA (which he said he wasn't) he should provide St Andrew's with:

- a copy of his benefit acceptance/rejection letter at the start of the claim; and
- a combination of three of the following pieces of job seeking evidence confirming his job search for each month of the claim:
  - copy job application
  - copy job application rejection letter
  - copy email requesting a job application form
  - registration at a recruitment agency (with other requirements)
  - copy covering letter sending a speculative CV to companies
  - a print out of a job vacancy enquired about at the job centre

I haven't seen anything to suggest Mr K sent St Andrew's information in line with the above at the relevant time. I don't think St Andrew's has acted unfairly in dealing with the claim as it did.

my final decision

For the reasons given, I've decided not to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 5 February 2016.

Nimish Patel
ombudsman