

## complaint

Mrs C complains that The Prudential Assurance Company Limited (Prudential) failed to pay out on a claim for critical illness under her decreasing critical illness policy. She's represented by her husband, Mr C.

## background

In February 2003, Mrs C took out a life and critical illness insurance policy. It initially provided cover of £152,000, with this amount reducing to zero by the time the policy is due to end in 2023.

In October 2017 Mrs C submitted a claim to Prudential for her illness, and in November 2017 she was diagnosed with Wernicke 's encephalopathy. When this medical information was received by Prudential, Mrs C was told her claim was unsuccessful. Prudential said they had considered her claim under the definition of Alzheimer's disease or Pre-senile Dementia but the policy terms hadn't been met. They also explained they couldn't look at the claim under the 'total permanent disability' definition as this had been excluded when Mrs C had taken out the policy. So they weren't able to pay her claim.

Mr C didn't agree. He felt his wife's consultant had confirmed she had dementia, so he raised a complaint to appeal the decision. Prudential didn't think they had done anything wrong. They explained they'd written to Mrs C's doctor, and based on the information he'd provided - and the policy definitions - Mrs C's condition didn't meet the defined policy terms. Mr C didn't agree so he asked us to look into his complaint.

Our investigator didn't uphold Mr C's complaint. Based on the medical evidence provided, she didn't think Mrs C's claim satisfied the required definition for the critical illness claim to be paid. She said that although Mrs C's doctor had confirmed she suffered from a form of dementia, he hadn't given any evidence to show this was degenerative – and later noted that Mrs C had made a gradual improvement. Mr C didn't agree. He felt Mrs C's dementia was going to worsen over time, so he asked for an ombudsman to review the case.

## my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And in doing so I've come to the same conclusion as the investigator - I'll explain my reasons below. But before going any further, I wanted to say that I was very sorry to learn of Mrs C's health problems and I realise both she and Mr C have been, and continue to go through a very difficult time.

Mrs C's policy sets out the circumstances in which a claim for critical illness benefit will be paid. For Alzheimer's disease it contains the following definition "*Confirmation by a Consultant Neurologist of a definite diagnosis of Alzheimer's disease or Pre-senile Dementia before age 65; "The diagnosis must be supported by evidence of progressive loss of ability to remember, to reason, and to perceive, understand, express and give effect to ideas."*

This means that for a claim to be payable, Mrs C's condition must either be Alzheimer's disease or Pre-senile Dementia before age 65 *with* progressive loss of these defined abilities. From looking at Mrs C's policy with Prudential I'm satisfied it's clear that the policy requires evidence of both parts of the diagnosis; the disease and the progressive loss of

abilities. And from the evidence that I've seen, I don't think Mrs C's illness meets both parts of the policy definition.

Initially in March 2017, Mrs C's neurologist said it was 'most likely' she was suffering from Wernicke's encephalopathy, with subsequent cognitive impairment representing most likely Korsakoff Amnesic Syndrome. Prudential felt that based on the neurologists notes, the conditions mentioned weren't a form of Dementia. They noted that Mrs C's condition "*is not Alzheimer's disease or pre-senile dementia, it is a form of acute metabolic insult, primarily driven by thiamine deficiency*". So they felt it didn't meet the dementia policy definition. I don't think, based on the evidence I've seen, that it was unreasonable for Prudential to rely on the neurologists comments.

I've also seen that Mrs C's neurologist confirmed that there was some cognitive impairment - but he didn't say that this condition would deteriorate. Prudential also said that, although the critical illness policy covered other illnesses not specified in the definitions under the 'catch all' definition of "total permanent disability" (TPD) that this wasn't included in Mrs C's policy - so they also couldn't consider the claim under this definition. I've looked at Mrs C's policy and based on the policy definitions, and the TPD exclusion that Mrs C agreed to at the outset of the policy, I don't think that Prudential treated Mrs C unfairly by declining her claim.

I've noted that Prudential then received confirmation from Mrs C's neurologist that her condition was most likely a form of Dementia which they took into account. However, I've seen evidence that in February 2018, Mrs C's neurologist said that she had been "doing better and it seems there has been a gradual improvement". Given that Prudential received information from a specialist saying there had been an improvement not deterioration, I can't say that they've acted unreasonably towards Mrs C.

I realise this will be very disappointing for Mr and Mrs C as it's not the outcome they were hoping for. And I note that Mr C says Mrs C's condition will deteriorate over time. However based on the medical evidence currently available, I don't think that Prudential have treated Mrs C unfairly by declining her claim. So I won't be asking them to do anymore here.

However, I'm aware that Mrs C's condition could change in the future, or further evidence may become available confirming her condition meets the policy definitions. If this does happen before the policy ends – provided Mrs C's policy has remained in force and the premiums have continued to be paid – she can contact Prudential to make a further claim on the policy at a later date.

### **my final decision**

For the reasons set out above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 1 November 2018.

Jenny Lomax  
**ombudsman manager**