

## **The complaint**

Mrs B is unhappy with the service she received from Vitality Life Limited when she tried to claim on her income protection policy.

## **What happened**

Mrs B had a range of products with Vitality which offered income protection, serious illness and life cover. In April 2022 Mrs B received treatment on her eye and contacted Vitality to see if she could make a claim. Vitality said that she could claim on the income protection policy and started the claims process.

Mrs B complained because she says Vitality took too long to come back to her. This led her to cancel the policy as she couldn't afford to pay the premiums. In their final response letter Vitality said they acted on Mrs B's instructions to cancel the policy. They said their notes indicated that Mrs B had cancelled her claim following discussions with the Department for Work and Pensions (DWP).

Our investigator looked into what happened and partly upheld the complaint. He thought that there had been some delays in assessing the claim and recommended Vitality pay Mrs B £150 compensation. However, he didn't think Vitality needed to refund Mrs B the premiums for the policy as she'd had the benefit of cover during the time it was in force and they'd acted on her instructions to cancel it.

Vitality accepted the investigator's recommendation but Mrs B didn't. She thought Vitality hadn't shared all the relevant information when she made a Subject Access Request (SAR) and highlighted issues with the communication she received throughout the claims process. Mrs B also explained that after the policies were cancelled she was diagnosed with other medical conditions which she may have been able to claim for. These further points didn't change our investigator's view of the overall outcome and so Mrs B's complaint was referred to me 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.

The relevant rules and industry guidelines say that Vitality has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

I'm very sorry to hear of the circumstances surrounding Mrs B's claim, including the more recent changes to her health and the financial implications of her being unable to work. I have a lot of empathy for the circumstances she's described.

I'm upholding Mrs B's complaint in part and directing Vitality to pay her £150 compensation. However, I don't think they need to do anything further to put things right. I say that because:

- Mrs B made a SAR to Vitality and she feels that some of the information is missing or

incomplete. However, I think there's enough information available for me to reach a conclusion about the outcome of this complaint. I also note that in their Final Response letter Vitality said that if Mrs B had any queries about the SAR then she could get in touch with them.

- I agree there were some shortcomings in the service Mrs B received. There were some avoidable delays in requesting her GP records and chasing them. I can also understand why it was worrying and frustrating to be told, for example, during one of the calls that there were no notes on her file since 2018. However, I think £150 fairly reflects the overall failings in the customer service and the distress and inconvenience caused during an already worrying time for Mrs B.
- I don't think it was unreasonable for Vitality to consider the claim as an income protection claim based on what Mrs B said in the initial call. She explained she was off work following the surgery and Vitality proceeded to try and obtain more medical information from her GP. Once the medical information had been received, I'd have expected Vitality to review it and determine whether other benefits, such as the serious illness cover, where appropriate. But I don't think they acted unreasonably in the circumstances.
- Whilst Vitality were waiting for information from Mrs B's GP she confirmed she didn't want to proceed with the claim. Mrs B says that she was advised by the DWP that a successful claim would impact on the payments she could receive for universal credit. Vitality wasn't responsible for that advice and information. I think they reasonably acted on Mrs B's instructions to not proceed with the claim, which she confirmed in writing twice. It wasn't Vitality's role to give Mrs B advice about the impact of her claim on any benefit payments.
- I don't think it's fair to conclude that the delays in assessing the claim were so unreasonable that they directly led to Mrs B cancelling the policy. There was a deferred period of three months before Mrs B could claim and it is reasonable for Vitality to validate the claim by obtaining medical evidence. I fully empathise with Mrs B's need to reduce her outgoings but I think Mrs B made the decision to cancel based on a number of factors, including the potential impact on her universal credit payments.
- Mrs B was diagnosed with other medical conditions after the policy was cancelled. She says if the policy had remained in force she'd have been covered for them. However, I note that Vitality did discuss the life and serious illness cover with Mrs B when she spoke with their retention team about cancelling all the cover she held. They explained that if she got a serious illness, such as cancer, then the serious illness policy could offer cover even if she wanted to remove the income protection cover. So, I think Mrs B was made aware that she could retain her life and serious illness cover even if she no longer wanted the income protection policy. Mrs B chose not to.

- Mrs B says it's not been explained to her why she couldn't claim under serious illness cover. She noted that in one of the internal calls a Vitality call handler said that she couldn't claim under this section of the policy. I can't see that this was something Mrs B raised as part of her initial complaint to Vitality or that she queried it during the claims process. If Mrs B feels that she hasn't received an adequate explanation as to why her claim wasn't considered under this section then she can contact Vitality for more information. But, I don't think this is central to the outcome of this complaint. That's because, for the reasons I've explained, I think Vitality acted reasonably by assessing the claim on the basis that it was an income protection claim.

### **Putting things right**

Vitality needs to put things right by paying Mrs B a total of £150 compensation for the distress and inconvenience caused by delays and failings in the customer service she received.

### **My final decision**

I'm partly upholding Mrs B's complaint and direct Vitality Life Limited to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 7 October 2024.

Anna Wilshaw  
**Ombudsman**