

The complaint

Ms I complains that Scottish Friendly Assurance Society Limited have applied an exclusion to her income protection policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my 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 key issue in this complaint is whether it was fair and reasonable for Scottish Friendly to apply an exclusion to Ms I's income protection policy. Ms I feels that exclusion was very broad when compared to the nature of the medical issues she disclosed.

I'm not upholding this complaint because:

- An insurer is entitled to determine their appetite towards risk when offering an insurance policy. It's a commercial decision they are entitled to make.
- In the circumstances of this case I'm satisfied that Scottish Friendly fairly took into account the issues Ms I was experiencing with her neck at the point of application. This informed their decision to enter into a contract of insurance with Ms I and the terms upon which the policy was offered.
- An exclusion was added to Ms I's policy. I appreciate that Ms I feels that the exclusion is very broad. But, as I've outlined above, that's a commercial decision the insurer is entitled to make when offering cover to her. And, I'm satisfied that the exclusion has been applied fairly and in line with the relevant underwriting criteria.
- I'm satisfied Ms M has been treated in the same way as other customers who disclosed the same issues. Therefore, I think their decision is fair and consistent with the approach they take to other prospective customers.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms I to accept or reject my decision before 14 January 2025.

Anna Wilshaw
Ombudsman