

## **The complaint**

Mr L and Miss L complain that The Clear Health Group Ltd mis-sold them a private medical insurance policy.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, in March 2022, Mr L sought advice from The Clear Health Group in relation to private medical insurance for him and his daughter, Miss L. The Clear Health Group recommended a private medical insurance policy with an insurer and Mr L took out the policy.

I understand that Miss L used the GP service for the problem with her ear but that her claim against the policy for a consultation with a specialist was declined by the insurer. Mr L cancelled the policy and complained that it was mis-sold to him.

Mr L says that The Clear Health Group told him that pre-existing conditions would not be covered, which was as he expected. But he says that Clear Health Group said that Miss L's long standing ear pain wouldn't be considered a pre-existing condition as there was no diagnosis, so it would be covered under the policy. Mr L wants a refund of the premium he paid to the insurer.

One of our investigators looked at what had happened. She didn't think that The Clear Health Group had mis-sold the policy. The investigator said that the adviser explained the moratorium underwriting to Mr L multiple times during the sales call. She said that Mr L made The Clear Health Group aware of Miss L's problem in relation to her ear, but she didn't think that it had confirmed that the policy would cover treatment for that condition. The investigator said that Miss L may use the GP service for her ear condition, as members may consult with a GP in relation to any medical condition, pre-existing or new.

Mr L didn't agree with the investigator. He said that he now understood that Miss L could use the GP service for the problem with her ear but that the policy didn't cover her for referral to a specialist for that problem. Mr L said that The Clear Health Group didn't explain that to him. He said that he took out the policy believing that Miss L would receive help. Mr L says that The Clear Health Group misled him then provided policy documentation to negate its misleading information. He said that he doesn't dispute that The Clear Health Group read out the policy terms to him, but it didn't give him important information so that he could make an informed choice.

The investigator considered what Mr L said but didn't change her view. Mr L asked that an ombudsman consider the complaint, so it was passed to me to decide.

## **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.

I don't uphold this complaint and I'll explain why.

- The Clear Health Group gave Mr L advice about private medical insurance, so it was obliged to make sure that its recommendation was suitable for his and Miss L's demands and needs.
- The Clear Health Group recommended a policy which was on a moratorium basis. That means that the policy doesn't cover pre-existing medical conditions Mr L or Miss L had in the five years before the policy began until they had been a policyholder for two years in a row and had a period of two years in a row trouble-free from that condition.
- I've listened to the recordings of the relevant phone call at the point of sale. I don't agree with Mr L that The Clear Health Group told him that Miss L's ear pain wouldn't be considered a pre-existing condition as there was no diagnosis, so it would be covered under the policy.
- Near the beginning of the conversation, Mr L said that Miss L had an ear problem and had pain in her ear. He explained that he and Miss L were dissatisfied with the treatment she'd had in the NHS. The Clear Health Group outlined what would have happened had Miss L been insured at the time. It went on to say that medical insurance doesn't cover what's already happened.
- Later in the conversation, Mr L sought clarification about how a referral worked and gave the example of Miss L being referred to a specialist for her ear pain without being seen by a GP in the insurer's GP service. I think this is where the misunderstanding occurred. Mr L described a set of circumstances in relation to Miss L's problem with her ear. The Clear Health Group said that the GP service would " ...get [Miss L] in front of a specialist". That's not in fact the case as Miss L's ear pain is a pre-existing condition, as defined by the policy. But I think that The Clear Health Group was trying to explain the process of referral in the context of the example raised by Mr L. It had already said on more than one occasion that medical insurance doesn't cover what's already happened. So, I don't think that what The Clear Health Group said amounted to confirmation that the policy would cover a referral to a specialist for Miss L's ear pain.
- I think it would have been better if The Clear Health Group had explained that as Miss L's ear pain is a pre-existing medical condition, she could use the insurer's GP service but that's the extent of the cover because of the moratorium underwriting. But, on balance, given the context of what was said and against the background of repeated statements about there being no cover for what's already occurred, I don't think that The Clear Health Group misled Mr L in the sales phone call.
- The Clear Health Group subsequently sent Mr L its recommendation, which included an explanation that the policy doesn't cover conditions where the insured has had treatment, advice, symptoms or medication within the last five years. And the insurer sent Mr L documentation, including an insurance product information document, which said that the policy doesn't cover treatment of medical conditions or symptoms present before taking out the policy. So, correct information was available to Mr L and Miss L.

- Considering everything, there's no basis on which I can fairly direct The Clear Health Group to reimburse the premium payments made to the insurer. That's because, based on what I've seen and heard, on balance, I don't think that The Clear Health Group misled Mr L at the point of sale. Even if I reached a different conclusion about that, it's not clear to me that Mr L and Miss L wouldn't have taken out the policy in any event, as it addressed Mr L's concerns about the difficulties in accessing treatment in the NHS for conditions that aren't pre-existing.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L and Mr L to accept or reject my decision before 8 November 2023.

Louise Povey  
**Ombudsman**