

The complaint

C, a limited company, has complained that The Right Mortgage Limited ('the broker'), mis-sold a policy to it.

What happened

C took a private medical insurance policy through its broker. This was an advised sale.

C says it told the broker it needed a policy which would save time for its members as speed of accessing healthcare was a priority.

When a member tried to make a claim, the underwriter asked them to provide a form completed by their GP. C said it didn't realise that members would need to get authorisation from their GP every time they needed treatment. So C complained to the broker and asked for the policy to be cancelled immediately.

The broker emailed the underwriter about cancellation and confirmed to C that this had been done but it didn't uphold the complaint.

C disagreed and in summary, said it was aware that the policy wouldn't cover pre-existing conditions. But it wasn't aware its members would need to have a form completed by their GP each time they requested treatment.

C said the policy was mis-sold and referred its complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think the policy was unsuitable and so it didn't think it had been mis-sold.

C disagreed and in summary, made the following comments:

- The speed of access to treatment was a priority and had it known members would need to obtain GP authorisation each time treatment was needed, it never would have bought the policy
- The broker agreed to refund two months' worth of premiums but hasn't done this
- The policy wasn't cancelled immediately and the underwriter continued to collect premiums despite C's clear instruction that it no longer wanted to continue with the policy

And so the case has been passed to me for a final 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

- During an advised sale, the seller should ensure the policy is suitable for the needs of the customer.
- I've seen the fact find and recommendations which capture the conversation which took place between C and the broker. C's priorities were listed in the fact find and the recommendation included information about the policy terms and the type of underwriting which applied to the policy.
- C said it wasn't aware of the requirement to obtain information from the GP each time a member made a claim. But I am satisfied that this information was provided by the broker in the policy terms, with the recommendation letter.
- C said speed of access had been discussed as a priority and it wasn't aware of the terms or what they said. Even though speed of access was a priority, this wouldn't be something the underwriter could control if there was a concern about the GP's timescales. I haven't seen any evidence to show that the involvement of a GP would be an issue. And the terms were brought to C's attention by the broker. The broker cannot be held responsible if C did not review the full terms, including the type of underwriting which applied.
- I think the information in the recommendation by the broker clearly sets out the type of underwriting that applied. Members of C may have had a different type of underwriting previously, but it was clear that this was a moratorium policy. What this meant was sufficiently explained in the information provided to C.
- C says the underwriter didn't refund premiums immediately and the broker agreed to a two-month refund. I haven't seen any evidence that the broker agreed to refund two months premiums and as it wasn't responsible for collection of premiums, I wouldn't expect it to provide a refund. This is something C would need to take up with the underwriter directly.
- As I don't think the broker mis-sold the policy, I won't be asking it to do anything.

My final decision

For the reasons set out above, I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 15 November 2023.

Shamaila Hussain
Ombudsman