

The complaint

Mr and Mrs E have complained that BUPA Insurance Limited ('BUPA') mis-sold a policy and incorrectly declined to cover Mrs E's pre-authorised treatment.

What happened

Mr and Mrs E have a private medical insurance policy, underwritten by BUPA.

Mrs E called BUPA to enquire about moving from a company policy to an individual policy on a continuation basis. She answered some medical questions and BUPA offered to cover ongoing treatment for a condition (related to a mole) but for a higher premium. Mrs E chose to exclude the condition as the premium quoted was too high and it was cheaper to exclude the condition. BUPA confirmed any new, unrelated conditions (moles) would be included.

Mrs E complained to BUPA as she was unhappy that the exclusion, referred to as a special condition, was generic. She thinks she was quoted a price for the condition rather than the specific mole she had removed. BUPA clarified it would cover any new, unrelated moles and it would ask her GP to confirm the symptoms were unrelated to the exclusion on the policy.

Unhappy, Mrs E referred her complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think BUPA had done anything wrong.

Mrs E disagreed and in summary, has made the following comments:

- The way the special condition is worded excludes the condition in full and so she isn't satisfied that any new, unrelated moles will be covered.
- Had BUPA correctly excluded the one mole, the cost of her premium would have been cheaper, and she would have chosen to have the condition covered for a slightly higher premium.
- Her treatment would therefore have been covered under the new, continuation policy. But as BUPA incorrectly quoted her a high premium, she chose not to include cover for her existing mole and so she has had to pay for this herself.

As an agreement couldn't be reached, 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.

- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.

- I have carefully considered everything Mrs E has said in detail. But I will only address what I consider to be key to my decision.
- The policy confirms: *“We only pay Benefits for Treatment you receive while you are covered under the policy and we only pay Benefits in accordance with the cover that applies to you on the date the Treatment takes place. We do not pay for any Treatment, including any Treatment we have pre-authorized, that takes place on or after the date your cover ends.”*
- As Mrs E had treatment for the existing condition which had been excluded after the end date of the company policy, it wasn’t covered under either policy. I think the terms are clear so I don’t think BUPA did anything wrong by explaining her treatment wasn’t covered, even if it had been pre-authorized - as the date of treatment is relevant. Any treatment after the date the cover ended isn’t included.
- When Mrs E called BUPA, BUPA provided two prices; one for a policy which covered her ongoing treatment and a price for excluding it. Mrs E opted for the policy which excluded her ongoing treatment as it was much cheaper. However, Mrs E thinks BUPA provided an incorrect quote excluding all future moles and that is why the quote was so expensive. She says had BUPA provided her with the correct quote (specifically a price for excluding treatment in relation to the specific mole in question), she thinks the premium for including treatment would have been much lower than the premium quoted for excluding treatment for all moles relating to the condition in general.
- I can see why Mrs E feels that BUPA provided incorrect pricing information due to confusion on a later call when she was told all moles would be excluded. But this misunderstanding was quickly corrected and BUPA’s final response letter clearly sets out its position that any new, unrelated symptoms of a mole would be covered once her GP confirmed the symptoms were unrelated.
- I also think Mrs E’s understanding of how the premiums are priced is incorrect. BUPA doesn’t provide a price based on excluding one specific mole. As she had ongoing treatment for the mole that had been removed, BUPA priced the premium based on its internal system and underwriting criteria for that condition, based on the answers Mrs E gave to the health questions. This is referred to as ‘loading’. As she would have had to answer ‘yes’ to a question about planned or pending treatment, the premium would increase to the price she was quoted.
- BUPA has provided its confidential underwriting information to me to show the price she was given wasn’t incorrect. I cannot share this with Mrs E. But I can assure her that I am satisfied she hasn’t been treated differently to other policyholders in a similar position to her. BUPA provided Mrs E with a price based on the information she provided (cover for including the condition and ongoing treatment). So I don’t think the price was incorrect or that the policy was mis-sold.
- Mrs E chose to exclude the condition to keep her premiums down. And the price given to her was correct at the time. So I won’t be asking BUPA 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 Mr E and Mrs E to accept or reject my decision before 15 December 2023.

Shamaila Hussain
Ombudsman