

## **The complaint**

Mr L and Mrs R complain that BUPA Insurance Limited trading as Bupa Global didn't renew their 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, Mr L had private medical insurance with Bupa from 2007 and Mrs R was added to the policy in 2012. The policy renewal date is in March each year. In April 2022, Bupa phoned Mr L and told him that it wouldn't renew his policy in March 2023. In January 2023, Bupa wrote to Mr L and told him that it wouldn't renew the policy because it was no longer doing business in the country in which Mr L and Mrs R live. Bupa said that it couldn't accept Mr L and Mrs R's address in a second country they visit because of regulatory constraints.

Mr L and Mrs R complained about Bupa's decision not to renew their policy. Bupa maintained its position, so Mr L and Mrs R pursued their complaint.

Mr L and Mrs R say that a unilateral decision by Bupa to no longer offer cover requires it to provide them with an alternative solution. They say that it's not clear in the terms and conditions that Bupa may refuse to renew the policy and that if the policy is a one year contract, it should be marketed as one. Mr L and Mrs R say that they've paid above market premiums on the understanding that this is a long term policy.

Mr L and Mrs R say that Bupa should have disclosed the possibility of a unilateral decision to decline renewal and if it had done that, they would have switched to a new insurer several years ago and saved a substantial amount in premiums and now have cover. They say that they've made claims against the policy, so if they change to a new insurer existing health conditions may not be covered. Mr L and Mrs R want a refund of overcharged premium.

One of our investigators looked at what had happened. She said that this service can't deal with the part of the complaint about the level of premiums Mr L and Mrs R have paid over the years, as they haven't complained to Bupa about that in the first instance. The investigator said that this service isn't the regulator and can't direct Bupa's commercial decisions. She said that the policy provides that Bupa may make changes on the renewal date. The investigator said that Bupa gave Mr L and Mrs R sufficient notice about its decision not to renew their policy. She said that she hadn't seen any evidence that Bupa said that the policy provided lifetime cover.

Mr L and Mrs R didn't agree with the investigator. Mr L responded to say that they haven't found a convincing legal basis for the unilateral refusal to renew their policy. He said that a one year contract is a different product than a contract with a right to renew and is priced accordingly. Mr L said that in other territories, Bupa includes in its terms and conditions that it may not renew the policy but doesn't mention the possibility of a unilateral decision to discontinue cover in their case. He says that they've met all the conditions for renewal of the policy.

The investigator said that this service can consider Mr L and Mrs R's complaint but that she didn't think Bupa had acted unfairly or unreasonably. She said that it was up to Bupa to decide how and with whom it does business as long as it treats similar consumers in the same way, which it had here. The investigator said that Bupa gave Mr L and Mrs R reasonable notice. She said that the membership certificate confirms that the policy is for one year.

As there was no agreement between the parties, the complaint 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.

It's clear and quite understandable that Mr L in particular has very strong feelings about this matter. He has provided detailed submissions to support the complaint, which I have read and considered. I trust that neither Mr L nor Mrs K will take as a discourtesy the fact that I focus on what I consider to be the central issue, that is whether Bupa has acted in accordance with the policy terms and fairly and reasonably.

#### The relevant terms of membership

##### ***'Renewing your membership***

***Your membership can be renewed automatically every year on **your renewal date**, subject to acceptance of **our** renewal terms and 'if we make changes' in this section, by continuing to pay **your** subscriptions and any other payments due under **your** agreement with **us**.'***

##### ***'Making changes to your cover***

***You, the **principal member's** contract is an annual one and you can therefore only change **your** level of cover from **your renewal date** (sic) [...].'***

##### ***'If we make changes***

***We may change the benefit and rules of your membership on **your renewal date**.***

***These changes could affect, for example:***

- ***[...]***
- ***the cover **you** receive'***

#### Has Bupa acted unfairly or unreasonably?

This service isn't the regulator, so we can't direct Bupa generally about how it conducts its business. But I can look at whether it has treated Mr L and Mrs R in accordance with the policy terms and fairly and reasonably. I think it has and I'll explain why:

- Mr L and Mrs R's contract with Bupa is an annual one. That's clear from the policy certificates which give cover start and end dates and also from the terms and conditions of membership, relevant parts of which I've set out above. Bupa is entitled to make changes on the renewal date, including whether it offers cover at all.
- In general terms, insurers are entitled to decide what risks they are willing to take, including which countries they operate in. In this case, Bupa decided not to renew policies for individuals in Mr L and Mrs R's country of residence and couldn't accept an address in a second country Mr L and Mrs R visit because of regulatory

reasons. Bupa is entitled to come to those decisions. I've seen nothing to indicate that Bupa treated Mr L and Mrs R any differently to others in a similar position.

- Bupa isn't obliged to offer Mr L and Mrs R renewal terms or an alternative but has referred them to an insurance partner in the country they visit. I don't think Bupa is required to do more than that.
- I think that Bupa acted fairly and reasonably in giving Mr L and Mrs R several months' notice of its intention not to renew their policy.
- Essentially, Mr L says that they've been overcharged by BUPA as a one year contract is a different product than a contract with a right to renew and is priced accordingly. I don't agree that Mr L and Mrs R had a right to renew their policy in the way they suggest. Each year, Bupa offered cover on certain terms, which included the premium. It was open to Mr L and Mrs R to accept or reject those terms.
- Mr L says that in other territories, Bupa's terms and conditions about not renewing a policy are more explicit. I don't think that alters the outcome here. Nothing I've seen obliges Bupa to offer Mr L and Mrs R a new policy at the end of a policy year.
- I'm sorry to disappoint Mr L and Mrs R but there are no grounds on which I can fairly direct Bupa to refund premiums to them. They accepted the terms offered by Bupa and had the benefit of the policy in previous years.

### **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 Mr L and Mrs R to accept or reject my decision before 10 January 2024.

Louise Povey  
**Ombudsman**