

The complaint

W, a limited company, complains that CIGNA Europe Insurance Company SA-NV decided not to offer a new annual group private medical insurance policy at renewal. W also says that CIGNA failed to notify it about the withdrawal of cover.

W is represented by Mr S.

What happened

W held a group private medical insurance policy. The policy year was due to end on 28 February 2023.

In December 2022, CIGNA wrote to policyholders to explain that it had made the commercial decision to leave the UK medical insurance market. And that therefore, UK employer medical schemes wouldn't be renewed. It explained there was an option to take out cover with a new insurer on preferential terms. In February 2023, CIGNA sent a further letter reiterating both that it couldn't offer renewal of group schemes and the option to move cover elsewhere.

Cover under W's policy ended on 28 February 2023.

In May 2023, Mr S contacted CIGNA to make a claim on W's policy. CIGNA confirmed that the insurance contract had ended in February 2023.

Mr S was unhappy with CIGNA's position and he complained. He said W had never received the letters of December 2022 and February 2023. And he said W had continued to receive monthly invoices from CIGNA, which had led him to believe that the policy was still active. He added that CIGNA did still appear to be providing medical cover elsewhere. He asked us to look into W's complaint.

Our investigator didn't think W's complaint should be upheld. She noted that the policy terms allowed CIGNA to end an insurance contract, so long as it gave 28 days' notice of its intentions. In this case, she was satisfied that CIGNA had sent W letters notifying it of its intention to leave the UK market more than 28 days before the policy ended. She accepted that W had continued to receive invoices from CIGNA. But she noted that the total billed amount each month had been £0. So she thought Mr S ought to have been put on notice that CIGNA was no longer debiting any premiums in respect of W's policy. Overall, she didn't think CIGNA had done anything wrong.

Mr S disagreed and so the complaint's been 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.

Having done so, whilst I'm sorry to disappoint Mr S I don't think CIGNA has treated W unfairly and I'll explain why.

The relevant regulator's principles say that financial businesses must pay due regard to the information needs of their clients and provide them with information which is clear, fair and not misleading. So I've taken these principles into account, amongst other things, including the contract terms and the available evidence, to decide whether I think CIGNA met its regulatory obligations.

I've first considered the policy terms, as these form the basis of the insurance contract between W and CIGNA. Page 15 includes a section called 'Will there be any changes to my plan's terms and conditions?' This says:

'We can end the plan or change any of its conditions. If the plan changes because of new laws, we'll write and tell your employer. Otherwise, we'll give the following notice:

- For changes to the list of benefits, we will give your employer at least 28 days' notice in writing. The effective date of the changes will be shown on the notice and the new list of benefits will apply after this time. Any reduction in benefits will take effect from the annual renewal date.*
- For changes to the conditions or if we end the plan, we will give your employer at least 28 days' notice in writing. The change will take place or the plan will end on an annual renewal date.'*

In my view, the contract terms make it sufficiently clear that CIGNA can choose to end an insurance plan at the date of the next renewal. In this case, CIGNA decided to stop providing cover under its UK employer health schemes. This was a matter of CIGNA's commercial discretion. We won't usually interfere with a financial business' exercise of its commercial judgement unless we thought it had unfairly singled out a policyholder in any way. The contract terms say that CIGNA will give an employer – in this case, W – at least 28 days' notice of its decision in writing.

I've seen template copies of the letters that CIGNA says were sent to W. Both letters explained that CIGNA was leaving the UK employer health scheme market and that group policies wouldn't be renewed. Both letters also provided details of another insurer which could offer group cover on preferential terms.

Mr S has consistently told us that W never received the letters CIGNA said were sent. It's unfortunate that CIGNA doesn't have copies of letters which were specifically addressed to W. But CIGNA has explained the process it followed when these letters were sent and it's provided records to support that that process was followed in W's case. On balance then, I think that it's more likely than not that the letters were sent to W, in December 2022 and February 2022, to the correct address CIGNA held on file. I don't think I could fairly hold CIGNA responsible for any issues with those letters reaching W's business address. So it follows that I think CIGNA met its contractual obligations to W.

It's clear that following the ending of the plan, W continued to be sent invoices by CIGNA's billing department. It isn't clear why this happened and it seems clear that this was a mistake. However, I can see that the invoices billed a monthly amount of £0. No premiums were debited after February 2023. If Mr S had checked the invoices, I think it would have been clear to him that W wasn't being charged for any cover. Nor does it seem that W had been sent a 2023-24 policy schedule as it had been in 2022-23. So I think Mr S ought to have reasonably been put on notice that there might be a problem with the cover or that the plan had ended. And I don't think it was reasonable for him to make an assumption that cover had continued.

In the round, whilst I appreciate Mr S is disappointed because he's unable to access cover

for medical cover treatment he needs, I think CIGNA provided W with enough clear, fair and not misleading information about its decision to withdraw cover and the options available to W. And I find it met its contractual responsibilities too. From what I've seen, it's clear that CIGNA chose to withdraw cover for its UK employer health schemes. Therefore, I don't think I could reasonably conclude that it had singled W out in any way.

So overall, I don't think CIGNA treated W unfairly and I'm not directing it to do anything more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 21 February 2024.

Lisa Barham
Ombudsman