

The complaint

Mr and Mrs W complain that Right to Health Limited (RTHL) mis-sold them a private medical insurance policy.

As Mr W brought the complaint to us, for ease of reading, I've referred mainly to him.

What happened

Mr and Mrs W held a personal private medical insurance policy with an insurer I'll call B. Their policy was fully underwritten, with an effective underwriting date of 2004.

In December 2022, Mr W's premium with B had increased. RTHL recommended that Mr W should take out a new policy with an insurer I'll call V. The new policy was cheaper, provided broadly similar benefits and was quoted on 'switch' terms – meaning that the policy would be medically underwritten on the same terms as the policy with B. Mr W accepted RTHL's recommendation; the policy with B was cancelled and a new policy with V began.

Mr W made a claim on the policy with V. However, he says that V didn't agree to pay the claim. So Mr W complained to RTHL. He considered that the policy with V hadn't been suitable for him, as he felt it provided less medical cover than he'd held with B. He thought that if he'd remained with B, his claim would have been covered.

RTHL didn't agree that the policy had been mis-sold and so Mr W asked us to look into his complaint.

Our investigator didn't think Mr W's complaint should be upheld. He noted that the policy with V was set-up on the same underwriting terms as the policy with B had been. So he concluded that RTHL hadn't provided Mr W with an unsuitable recommendation to switch his policy.

Mr W disagreed. He said that V had turned down his claim because it considered the condition to be both pre-existing and chronic. He felt this wouldn't have happened had he remained with B.

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 very sorry to disappoint Mr and Mrs W, I don't think RTHL treated them unfairly and I'll explain why.

I must make it clear that this decision will only consider whether RTHL met its regulatory obligations to Mr W when it sold him this policy and whether it treated him treated and reasonably. I won't be considering whether V handled Mr W's claim fairly or whether any claims decision it made was reasonable. That's because V is an entirely separate legal entity

from RTHL. As such, RTHL isn't responsible for any of V's actions, claims processes or claims decisions.

It's common ground that RTHL advised Mr W to change his insurance provider from B and enter into a new private medical insurance contract with V. This means that RTHL needed to make sure that the new policy was suitable for him. And it also needed to give him enough clear, fair and not misleading information about the policy so that he could make an informed decision about whether or not to take it out.

I've looked carefully at the documentation which RTHL sent to Mr W and I've also listened to the calls he had with RTHL's adviser. First, I've considered the quotation RTHL produced on 7 December 2022. This said that the underwriting would be on 'switch' terms. The quotation explained that this was *'to ensure any medical conditions covered by your current provider will continue to be covered by the new provider (provided you meet the switch criteria.)'*

Next, I've looked closely at the 'demands and needs' letter which RTHL's adviser sent to Mr W on 20 December 2022. This set out a summary of the adviser's recommendations. The letter stated that one of Mr W's identified needs was cover for pre-existing medical conditions (amongst other things). It included the following information:

'I have recommended this on a Switch underwriting basis. This form of underwriting means you have answered favourably to the insurers medical switch criteria questions, which means all medical conditions covered under your existing policy will continue to be covered under your new one.'

It seems to me then that RTHL did recommend Mr W with a policy which met his identified need of cover for pre-existing conditions on the same terms as the policy he already had.

Having listened to the calls between Mr W and RTHL, it's clear that Mr W seemed happy with the adviser's recommendations and with the premium he'd been quoted. On that basis, he opted to proceed with the switch.

I've seen a copy of the insurance certificate setting out details of Mr W's cover with V. This shows that cover was set-up on a continuing personal medical exclusions (switch) basis. As such then, I'm satisfied that Mr W's medical cover was switched to V on the same medical terms as he'd previously held with B. Indeed, I've also seen an email from V to RTHL which confirms that the policy was set-up on a switch basis, with no medical exclusions for Mr W. Therefore, I'm not persuaded that RTHL recommended that Mr W should switch to a policy with a lower level of cover. Instead, I find that it advised Mr W to take out a new policy with medical cover provided on the same terms he'd held with B.

And having considered the remainder of Mr W's identified demands and needs, I think RTHL's recommendation seems to have been reasonable and appropriate. As I've set out above, Mr W appeared happy with the cover he'd been offered. I'm satisfied too that RTHL provided Mr W with enough clear, fair and not misleading information about the policy and the way it worked so that he could decide if it was right for him. I think the demands and needs letter and the policy quotation clearly set out the cover level, the price and the reasons why RTHL considered the policy was suitable for Mr W.

Overall then, I find that RTHL sold Mr and Mrs W's policy in line with its regulatory obligations and that it did so fairly and reasonably. So it follows that I don't think RTHL has made any error which it needs to put right.

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 Mr W and Mrs W to accept or reject my decision before 16 November 2023.

Lisa Barham
Ombudsman