

The complaint

Mr W has complained that BUPA Insurance Limited ('BUPA') failed to respond to him when he wanted to continue his policy in 2018.

What happened

Mr W had a private medical insurance policy, underwritten by BUPA.

In 2018, Mr W left his employer and BUPA offered him a continuation policy, if he called within 3 months. Mr W called and emailed within the 3-month deadline and BUPA said it would arrange a call back after it had done some checks. However it didn't do so.

Mr W chased in 2021 and made a formal complaint in 2022. BUPA looked into the complaint and accepted that it had failed to respond to Mr W. But it said it was unable to offer continuation options due to the time that had lapsed.

Mr W referred his complaint to the Financial Ombudsman Service.

During our investigation, BUPA offered £750 compensation for its error in failing to contact Mr W in 2018 and in 2021. It also said it would call Mr W to discuss his membership options.

Our investigator looked into the complaint and found that the offer of £750 compensation was reasonable.

Mr W disagreed and in summary said he was simply asking BUPA to carry out the promise it had made in 2018, for continuation of cover.

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 think BUPA's offer of £750 compensation is fair. I'll explain why.

- BUPA wrote to Mr W in 2018 and offered continuation of cover, if he called within 3 months. Mr W did call and email within 3 months and was told he would receive a call back. But this did not happen.
- The policy lapsed in 2018 and Mr W sent a chaser email in 2021. This was not responded to.
- Mr W emailed again in 2022 and made a formal complaint. BUPA replied and apologised for not getting back in touch with Mr W in 2018 and 2021. But it said it was no longer able to offer a continuation policy due to the time that had lapsed. It sent a cheque for £150 compensation for the distress and inconvenience caused and more recently made a further offer of £750 compensation.

- Mr W said he wanted BUPA to honour its promise as he had done what was asked, and made contact within 3 months. But BUPA says Mr W didn't chase until 2021 and so too much time had lapsed for it to be able to provide the continuation option. It also said it would review information from Mr W about the alternative cover he had and would arrange a call with its sales team, which I believe has happened.
- Mr W wanted to speak to BUPA and discuss his options before deciding whether he was willing to accept £750 compensation. Mr W says the options provided to him are subject to medical underwriting and he isn't happy with the discount or the advertising of continuation cover.
- Having carefully considered the above, I think the additional £750 offer of compensation adequately addresses the poor service and BUPA's failure to contact Mr W when it said it would. Mr W did not chase BUPA again until 2021 and didn't raise a formal complaint until 2022. It's not clear why Mr W didn't make a formal complaint in 2018, after the policy had lapsed. This may have affected BUPA's ability to offer continuation, if it was closer to his lapse date. But as there was no contact for three years, I think compensation is the most appropriate remedy for BUPA's failure to get in touch with Mr W.
- I am satisfied the additional £750 compensation offered is in line with an award I would make, where an error has caused significant distress and inconvenience. It is clear Mr W did try to arrange cover in 2018 but then waited until 2021 before chasing so I don't think a higher award is justified. Once a formal complaint was raised, BUPA responded and so it's more likely than not that it would have taken action in 2018 had Mr W made a formal complaint sooner.
- I'm sorry to disappoint Mr W but due to the time that has lapsed, I don't think BUPA is acting unfairly by not offering a continuation policy this many years later. BUPA has discussed Mr W's options with him and I can't fairly direct it to offer the policy which would have been available in 2018.

My final decision

For the reasons set out above, I think the £750 compensation offered by BUPA Insurance Limited is reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 19 February 2024.

Shamaila Hussain
Ombudsman