

The complaint

Mrs O complains that BUPA Insurance Limited both mis-sold her private medical insurance policy and charged too much for it.

What happened

Mrs O purchased a private medical insurance policy in 1993. It was unwritten by BUPA Insurance Limited and renewed annually until 2022 when Mrs O made the decision to cancel it following a complaint.

Mrs O's complaint concerned an inability to access the virtual GP service offered through the policy, the sale of the policy, and the cost of its premiums. In summary Mrs O said:

- She had a skin concern but had been unable to access the virtual GP service on offer through the policy because she no longer held valid photographic ID. She had tried to access treatment via other routes on the policy too. But BUPA had told her she'd need a GP referral, which wasn't something she could get due to waiting times at her own GP surgery, and had directed her back to the virtual service.
- The policy had been mis-sold to her. She couldn't make a claim on it as a result of the above ID issues. The policy terms had never been explained to her. And she would not have renewed the policy had she known about the need to provide photographic ID.
- The amount being charged for the policy was extortionate and unfair and wasn't a reflection of her current level of health. BUPA had made no attempt to assess her health to ensure the premiums were at the correct level, and she'd been able to find cheaper quotes for cover elsewhere.

BUPA didn't uphold Mrs O's complaint. It said the virtual GP service was free for her to use but it wasn't owned by BUPA. Rather, it operated as an independent company and BUPA couldn't take responsibility for the way it functioned or its specific procedures. BUPA said Mrs O didn't need to have ID or use the virtual GP to utilise her actual policy and ran through the variety of ways she could claim. It also said had Mrs O made it aware of her difficulties with the virtual GP at the time it could have discussed alternative options for her, such as a remote skin assessment.

In terms of the sale BUPA explained it no longer held any documents relating to it. It noted Mrs O hadn't contacted it to discuss the policy following each renewal pack it had sent her, and said it'd reasonably concluded she was satisfied with the policy and had continued to provide her cover in good faith because of that.

BUPA also said it had priced the cover correctly in line with the variety of factors that were included within the costs of it. It said that although Mrs O had gone on to cancel her policy, she'd done so just outside of the cooling off period, and it'd refund her that month's premium as a gesture of good will. It said it could explain her cover levels and look for any ways to reduce her premium if she decided to stay with it too, and that it would help guide her

through the process of making a claim.

Mrs O remained unhappy with the above so referred her complaint to this service, but having looked at what had happened our investigator didn't think it should be upheld.

Our investigator said the virtual GP was a separate service and therefore they were unable to comment on its processes. They said the virtual GP wasn't the only way in which Mrs O could make a claim on the policy though, and that the policy didn't require ID in order for it to be used. Our investigator didn't think there was sufficient evidence to demonstrate that the policy had been mis-sold either and said BUPA's approach to setting the premiums for it had been fair.

Mrs O disagreed at length but in summary explained the ID requirement meant there were some aspects of the policy she couldn't use. She said the requirement should have been mentioned in the policy terms so she could decide whether to keep her ID up to date or cancel the policy instead, and had it been she would have likely sought cover where ID wasn't needed.

Mrs O also said the virtual GP service was the main reason for retaining her policy given issues with her own GP practice, and that BUPA surely had some responsibility for that service. She said BUPA had breached a number of principles too, a refund of premiums plus interest from the introduction of the GP service was reasonable, or in the alternative a refund of premiums plus interest since the expiration of her passport.

Our investigator remained of the same opinion however, and so as no agreement was reached the complaint was passed to me to decide.

I issued a provisional decision and explained why I felt an award of compensation was warranted. That decision forms part of this final decision, and it read as follows:

"I've considered all of the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mrs O has set out her position at length and clearly feels very strongly about what has happened. Although I only summarised what happened above, I carefully considered everything that both sides had said before reaching this provisional decision. It is however important to explain that I'll not address each and every point that has been made below. I will instead focus on those matters I think are material to the outcome of this complaint.

Accessing the virtual GP service

I'm sorry to hear that Mrs O was unable to utilise the virtual GP service. BUPA has told this service that although it isn't responsible for this third party provider, the virtual GP would have needed to request photographic ID in order to conform to regulatory requirements that applied before sending medication or accessing medical records.

I accept BUPA is not responsible for the actions of the virtual GP service here and thank it for providing clarification about the reasons for ID being required. I also think the reasons for the virtual GP service needing to see ID are reasonable. However, within all of the documentation and literature about the policy and the virtual GP service, I do think there's a lack of clarity about a policyholder needing to hold valid photographic ID in order to use this offering. I therefore think it reasonable to conclude that some of BUPA's policyholders, such as Mrs O here, will find themselves unaware that they may be unable to use a particular policy offering if they do not hold the relevant ID to do so.

In the specific circumstances of this complaint Mrs O didn't hold the relevant ID and has described the frustration and distress this caused her. Namely that was having to spend time talking to a nurse at the virtual service about her skin concerns, which included detailing all of her symptoms and providing photographs, only to be told the service couldn't provide advice or treatment because she didn't have the right ID.

Again, I appreciate BUPA is not responsible for the virtual GP service itself. But I do think it could have done more to bring a policyholder's attention to the fact that valid photographic ID might be needed to access some of the additional benefits it was offering.

As such, I think an award of compensation to recognise the distress and inconvenience that was caused to Mrs O is warranted in the circumstances of this complaint.

Compensation is not designed to punish a business. Rather, it is intended to reflect the impact a business has had on someone, and given the impact on Mrs O described above I think an award of £100 compensation is both fair and proportionate in the circumstances of this complaint.

The sale of the policy

Mrs O says her policy was mis-sold to her at the point she purchased it in 1993. Neither side has provided this service with documentation relating to the sale of this policy, but I don't find that unusual given the time that has passed since and the data retention policy BUPA had to adhere to. Mrs O has however provided her recollection of the sale. She says she felt pressured into taking the policy out, wasn't made aware she could cancel it nor that it would renew each year, and having recently had a baby felt vulnerable which wasn't considered by the salesperson.

Though I'm sorry to hear Mrs O's recollection of the sale, without any contemporaneous evidence to corroborate what happened at the time it would be unfair of me to find that it had been mis-sold on this basis alone.

The policy provided a number of benefits and although the virtual GP wasn't an offering at the time Mrs O purchased it, Mrs O does appear to have been able to utilise the policy during the time it was in place. I am also mindful that Mrs O did not contact BUPA with concerns about the suitability of the policy after any of its renewal packs were sent out to her, and thus I think it was reasonable of BUPA to continue to renew the policy and provide cover as it did.

Mrs O has also argued that the policy was mis-sold to her because of the ID issues but I'm not persuaded I can fairly agree. Prior to cancelling her policy Mrs O had been on risk with BUPA for a significant period of time. She had spoken of the benefit the policy had been to her at times and again, aside from the virtual GP service, the policy provided a number of other benefits too. For example cover for in-patient, day-patient, and out-patient treatment, an anytime health line, an NHS cash benefit, a mental health line, and cover for private ambulances.

While the difficulties Mrs O faced in accessing the virtual GP service aren't disputed, there were other ways she could have claimed through the policy too and BUPA highlighted these in response to her complaint. Mrs O could have, for example, considered self-referring or getting a referral from her own GP (albeit I appreciate she's explained there were difficulties in doing this). BUPA also explained it could have offered Mrs O a remote skin assessment too, had she made it aware of her difficulties in accessing the virtual GP service at the time.

The cost of the policy

A number of different factors can affect the cost of an insurance policy and it isn't uncommon to see premiums increase each year. The terms and conditions of Mrs O's policy explained BUPA could change both how it calculated subscriptions and the amount a policyholder had to pay at renewal dates. But like any other insurer when choosing to make such changes, BUPA should be able to demonstrate it's treated a policyholder fairly and in the same way as other consumers with the same cover in similar circumstances.

Here, I haven't seen any evidence to demonstrate that BUPA treated Mrs O unfairly in relation to the cost of her policy, nor differently from other consumers with the same cover in similar circumstances.

BUPA provided this service with a detailed breakdown of the reasons for Mrs O's premium increases. Whilst it would not be right of me to share those with Mrs O directly (they are considered to be commercially sensitive) I can reassure her that BUPA correctly explained what had impacted the cost of her policy when responding to her complaint.

BUPA also explained some of the ways policyholders could reduce the costs of their policy within its renewal documentation too, and invited them to make contact if this was something they wanted to explore.

I appreciate Mrs O says she's been able to source cheaper cover elsewhere, but despite her strength of feeling about cost I haven't seen anything to demonstrate that BUPA either increased her premium or treated Mrs O unfairly.

Putting things right

For the reasons given above it is my provisional opinion that some of BUPA's actions caused Mrs O distress and inconvenience, and as such it should pay £100 compensation to recognise that."

Responses to the provisional decision

BUPA responded to the provisional decision and explained why it felt the compensation I'd proposed was unfair. In summary it said:

- The virtual GP was accepted as being a third party service and BUPA couldn't accept responsibility for the way that service conducted its business. It was accepted that ID was needed to confirm to regulatory requirements, and BUPA was not responsible for the virtual GP's actions.
- It was agreed that needing to see ID was reasonable and needing to use the virtual GP wasn't essential to Mrs O making a claim.
- It was unfair for BUPA to be obliged to notify its customers about the need for ID in its membership literature. Such information wouldn't have stopped Mrs O being inconvenienced, because she wouldn't have been able to use the virtual GP service in any event as she didn't have ID.

Mrs O didn't respond to the provisional decision.

So, as the deadline for responses has now expired I need to reach 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 have reached the same outcome as my provisional decision and will explain why.

BUPA is right, it isn't responsible for the actions of the virtual GP service. The compensation I proposed in my provisional decision wasn't based on it being so though. The compensation I proposed was based on the lack of clarity about a policy holder needing to hold valid photographic ID in order to use this policy offering, and the impact that had subsequently had on Mrs O.

I know BUPA says having information about ID within its literature wouldn't have stopped Mrs O from being inconvenienced – because she wouldn't have been able to use the virtual GP service in any event given her lack of ID – but I'm not persuaded I can fairly agree.

Mrs O was inconvenienced by having to commence a process with the virtual GP service, only to have that process halted because she didn't have the relevant ID in order for it to continue. By that point, Mrs O had already had a conversation with a nurse at the service, described all of her symptoms to it, and provided it with photographs of her skin concerns too. BUPA is right, Mrs O wasn't going to be in a position to use the virtual GP service without lack of ID, but I'm not persuaded she would have got to the point she had done in the above process had BUPA done more to bring the ID requirement to her attention.

I should also clarify that I haven't said BUPA is obliged to notify its customers about the need for ID in its membership literature. BUPA is of course entitled to determine how it constructs its policy literature. But, in the specific circumstances of this complaint, I do think that BUPA could have done more to bring attention to the fact that valid photographic ID might be needed in order to access some of the additional benefits it was offering. And, as that did not happen, it led to Mrs O going on to experience both frustration and distress. So I am still of the opinion that an award of compensation is warranted here.

Any award I make needs to be a fair and proportionate reflection of the impact caused by BUPA. And for the reasons given both above and within my provisional decision I remain of the opinion that £100 represents that.

Putting things right

BUPA should put things right by paying £100 compensation.

My final decision

My final decision is that I uphold this complaint. BUPA Insurance Limited should put things right in the way I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 18 July 2024.

Jade Alexander
Ombudsman