

The complaint

Mr and Mrs W are unhappy that Saga Services Limited mis-sold them a private health insurance policy ('the policy').

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my 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 don't uphold Mr and Mrs W's complaint. I know they'll be very disappointed, but I'm not persuaded that the policy was mis-sold to them. I'll explain why.

- Having listened to a recording of the call during which the policy was sold, I'm satisfied that Saga's representative didn't recommend the policy to Mr and Mrs W. So, the policy was sold on a non-advised basis. That's in line with the document entitled: "important information you need to know" sent to Mr and Mrs W by Saga with the policy schedule when taking out the policy under section: "our service".
- Saga had an obligation to provide Mr and Mrs W with clear, fair and not misleading information about the main terms of the policy so that Mr and Mrs W could decide whether the policy was right for them.
- The policy Mr and Mrs W ended up with was underwritten on a moratorium basis. That was after the representative explained other underwriting options. She explained that Mr and Mrs W would be immediately covered for anything new they develop from the start of the policy but anything they'd suffered from in the last three years wouldn't be covered until trouble free from that condition for two consecutive years after starting the policy. Mr and Mrs W were then told about some of the other features of the policy including different costs depending on the excess chosen and the cost of the protecting their no claims discount (and the terms of this).
- Towards the end of the call – and after Mr W said he and Mrs W would be happy with the moratorium – Saga's representative said there was no need to tell Saga about his and Mrs W's medical history. Under the policy, any medical conditions they have or have had symptoms of in the last three years will be excluded.
- Mr W had mentioned at the start of the call that he'd just come from a one hour's physio appointment as he has a "little problem" with his knee. However, when asked how his and Mrs W's health had been in the last three years, he answered "really good" apart from having Covid-19. He said: "other than that, nothing of significance". He also said that they hadn't taken medication for anything in the last three years and hadn't been to their GP about anything, other than some "jabs" and, perhaps in the last three years, a health check, where his blood pressure and cholesterol was checked.

- So, although Mr W had, outside of these questions and at the very start of the call mentioned he'd just come from a physio appointment due to a little problem with his knee, I don't think in the circumstances of this case, and in light of the way Mr W answered the questions put to him, Saga's representative acted unreasonably by telling Mr and Mrs W about the option of having a private health insurance policy underwritten on a moratorium basis. And I'm satisfied that the information given was clear and in line with how the moratorium is described in the policy terms. Based on that information, it was for Mr and Mrs W to decide whether they wanted to proceed with that type of policy.
- Mr and Mrs W say that because of a lack of diagnosis about his knee ligament condition at the time, he and Mrs W didn't believe it to be classed as a pre-existing medical condition. However, I'm satisfied that Mr W was told during the call that the moratorium also extended to having symptoms of a condition three years before the policy started (which is also consistent with how a moratorium is explained in the policy terms).
- Mr and Mrs W also say Saga's representative didn't mention that having a new moratorium meant losing six years of cover under a private medical insurance they had in place. However, I'm satisfied that they were made aware that this was a new policy and although they were told that they had accumulated five years no claims bonus, I don't think Saga's representative misled Mr W to believe that he (or Mrs W) was covered for anything that might've happened over the period when that (previous) policy had been active.
- Mr and Mrs W also refer to an online review they wrote, which the insurer of the policy responded to and said: "it is regrettable that the moratorium from your previous policy was not carried out and we acknowledge that this should have been clearly explained to you". However, there's nothing to suggest that this comment was made by the insurer having listened to the call recording and considered the relevant information. It looks like this was in response to Mr W's review. So, I've placed less weight on what the insurer said and placed more weight on the call recording I've listened to, and the policy documentation provided after the sales call.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 28 October 2024.

David Curtis-Johnson
Ombudsman