DRN-5017649

The complaint

Mr H is unhappy that Usay Business Limited mis-sold him 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.

Usay recommended the policy to Mr H so not only did it need to ensure that it was suitable for his needs, Usay also needed to give him clear, fair and not misleading information about the main terms of the policy.

I've listened to the call recordings which took place between Usay's representative and Mr H. Looking at the key features of the policy, including the main benefits and exclusions, I'm satisfied that the policy wasn't unsuitable for Mr H's needs.

Mr H wanted private health insurance and the monthly premium was within the price range he was willing to pay.

The policy he ended up with was underwritten on a moratorium basis which excluded from cover for the first two years of the policy any medical condition that Mr H had symptoms, treatment, or advice on in the five years prior to the policy start date. However, once the policy started, if he had two consecutive years without symptoms, treatment, medication, or advice for that medical condition, then the condition would be eligible for cover.

I don't think this was unsuitable for Mr H. And although he's unhappy that when he seeking to claim under the policy, the insurer wanted his GP to complete a form about whether the conditions pre-dated the policy I don't think this made the policy unsuitable. When verifying cover for a claim – particularly when the policy is underwritten on a moratorium basis – it's usual for insurers to want to check that the symptoms/condition which is the subject of the claim isn't pre-existing.

I'm also satisfied that he was given clear, fair and not misleading information about the main terms of the policy, including key benefits and exclusions – including how the moratorium works.

Mr H was also told that to make a claim he'd need to obtain an open referral from a GP at the point of claim. And once he had this, he should contact the insurer and it will, in turn, request the GP complete a claim form.

Mr H didn't raise any issue about previously being seen by a private GP and that they might charge a fee for an appointment and to complete the form. So, I wouldn't reasonably expect Usay's representative to proactively explore this with him at the time of sale.

Mr H wasn't told what questions would be asked of the GP (nor that the GP may be asked questions to consider whether the condition/symptoms which are subject of the claim are pre-existing). However, I wouldn't reasonably expect this level of detail to be given during the sale as it's standard industry practice for this type of form to usually be sent to GPs to complete before a claim is verified under this type of policy.

Alternatively, even if I'm wrong on that point and Mr H should've been given more information about the questions the GP would be asked when being sold the policy, I'm not persuaded it would've put him off taking out the policy. He knew about the moratorium and how it worked. So, I don't think he would've opted not to take out the policy if he'd also been told that the insurer would want to check with the GP that the claim wasn't connected to anything he had symptoms of, had treatment for, or had received advice on in the five years before the policy started – and would ask questions about this.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 January 2025.

David Curtis-Johnson
Ombudsman