

The complaint

Mr C and Ms G are unhappy with the service they received from Exeter Friendly Society Limited trading as The Exeter when they claimed on their private medical insurance policy.

What happened

Mr C and Ms G are unhappy with the service they received from The Exeter when Ms G claimed on their private medical insurance for cancer care.

Initially Mr C and Ms G began to prepare for chemotherapy offered by The Exeter's third-party cancer care provider (who I'll refer to as 'S'). This led to some costs being covered under the policy. However, Ms G was unable to access private treatment because the chemotherapy drug was only available on the NHS and had to transfer to the NHS. They are unhappy they were unable to access the benefits under the policy.

Mr C was also unhappy with the overall service including communication issues. And, he's unhappy that Ms G's premium has significantly increased despite Ms G being unable to utilise the policy properly. Mr C and Ms G complained to The Exeter.

In their Final Response Letter The Exeter explained they were unable to control what drugs were available. However, they said they'd take on board Mr C and Ms G's comments on their overall customer experience and offered a £1000 payment as a gesture of goodwill. Mr C and Ms G accepted this payment in relation to the customer service issues but referred their outstanding concerns to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. She thought The Exeter wasn't responsible for their third party provider being unable to access certain drugs. She also thought that The Exeter could consider the claim as part of the renewal process.

Mr C and Ms G asked an ombudsman to consider their complaint. They felt that The Exeter had increased premiums because of a failing of their subcontractor to provide a service. They said that The Exeter couldn't provide the promised health cover and they must be held accountable for this. So, the complaint was referred to me to make a 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.

The key issues for me to consider are whether Exeter are responsible for the failure of their third-party healthcare provider to provide the drugs Ms G needed and if it's therefore reasonable for the claim to be factored into the renewal price.

I'm very sorry to hear of the circumstances surrounding this complaint. I don't doubt that this was a difficult and upsetting time for Mr C and Ms G. I can also entirely understand why they expected to be able to get private treatment for Ms G's diagnosis. I have a lot of empathy

with what they'd said.

However, I'm not persuaded that it is fair and reasonable to hold The Exeter responsible for an issue with the supply of a specific chemotherapy drug. Unfortunately, the drug was in short supply and was only available on the NHS. I'm not persuaded that's something I can reasonably hold The Exeter responsible for.

S does not fall within the jurisdiction of the Financial Ombudsman Service and so I can't consider a complaint about any failings by S. However, the Exeter fulfilled their contractual obligations by authorising treatment for Ms G and allowing her access to treatment. It was very unfortunate that the third-party provider wasn't able to provide the drug and Ms G had to transfer to NHS care to access it.

I've considered whether it's fair and reasonable for The Exeter to take into account the claim when renewing the policy. I'm satisfied that it is in the circumstances of this case. I say that because they've only considered the costs Ms G was actually able to claim for. And, ultimately, any claim on the policy impacts the risk The Exeter is carrying when continuing to offer cover. So, in principle, I think it's reasonable that any costs paid under the policy are considered when the policy renews. I appreciate that Ms G didn't receive all of the benefits she expected to from her cover. But I don't think this precludes The Exeter from taking into account any additional risk presented following a successful claim under the policy.

I haven't considered the specific pricing of the policy at renewal as part of this complaint as The Exeter would need to have the opportunity to investigate that issue first.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Ms G to accept or reject my decision before 25 March 2025.

Anna Wilshaw
Ombudsman