DRN-5144021

The complaint

Mr D has complained that his private medical insurance policy with CIGNA Europe Insurance Company SA-NV was terminated following its withdrawal from the market.

Mr D is represented but for simplicity I shall just refer to representations as having been made by Mr D.

What happened

The background to this complaint is well known to the parties. In summary Mr D had a policy with CIGNA from 2006 to 2023. In 2022 CIGNA informed its policyholders of its intent to withdraw from the market and that no policies would be renewed after 31 December 2023.

Mr D had been undergoing treatment having been diagnosed with cancer in February 2023. He only became aware that his policy hadn't been renewed when he called for authorisation in September 2023. CIGNA reinstated the policy until 31 December 2023 and Mr D paid the relevant premium.

Mr D complained. He said that the policy terms CIGNA relied on were unfair. He felt that he had a reasonable expectation that the policy would continue. When CIGNA didn't uphold his complaint Mr D referred it to this service.

Our investigator didn't conclude that CIGNA had acted unreasonably or treated Mr D unfairly. Mr D appealed.

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.

I've summarised the background to this complaint and some sensitive details, no discourtesy is intended by this. Instead, I'll focus on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I recognise that Mr D will be very disappointed my decision, but I agree with the conclusion reached by our investigator for the following reasons:

- The relevant regulator's principles say that insurers must pay due regard to the interests of their customers and treat them fairly. They must also observe proper standards of market conduct. I've taken these principles into account, together with other relevant considerations, such as industry rules and guidance, the policy terms and the available evidence, to decide whether I think CIGNA treated Mr D fairly.

- This complaint arises from CIGNA's decision to withdraw from the UK market. I should make clear that this Service can't tell insurers what products or services they should provide. I'm satisfied that CIGNA's decision to withdraw from the market was one it was entitled to make, Mr D accepts this.

- However I do need to consider whether Mr D has been treated fairly. Mr D argues that notwithstanding its withdrawal from the market, CIGNA should have been obligated to continue to provide cover, as his diagnosis was notified and accepted before the withdrawal. Accordingly I've first considered the policy terms and conditions, as these form the basis of the contract Mr D had with CIGNA.

  Under section 7, *When does my cover end*? the policy provides:

  7.3. Cover will end for all members and dependants: On the first annual renewal date after the number of members in the plan reached one, unless we decide otherwise;

  On the annual renewal date after we give your employer at least 28 days' notice that the plan is about to end;

  7.4 Please note that even if treatment has been authorised, we won't be responsible for any costs if the plan ends or you leave the plan before treatment has taken place.

  I find that these policy terms clearly set out that there will be no cover when the policy ends. I don't find that they are unreasonable.

- It is unfortunate that Mr D didn't receive the correspondence from CIGNA in December 2022, or June 2023 advising when the cover would end. But I can't see that CIGNA was given an updated address, so I don't find CIGNA was at fault here. It gave the notice it was required to give under the policy terms. I find it was fair to extend cover until December 2023, for Mr D to make alternative arrangement for his ongoing treatment.

- Mr D argues that these terms weren't drawn to his attention at the inception of the policy. In this decision I'm not considering the sale of the policy, which I understand to have been in 2006. Although CIGNA accepts that it wouldn't have drawn Mr D's attention to this clause, other to advise policyholders to read the terms and conditions carefully. But I don't agree that the policy terms are unusual or unfair. I haven't seen evidence of any similar policy that would provide cover after its end. I do appreciate that Mr D would have had an expectation that his policy would continue. But CIGNA didn't make an overarching promise that it would, and as set out above the terms indicate that the policy can come to an end.

- I understand Mr D's specific concern given his diagnosis. However CIGNA had selected another insurer as their preferred partner for future cover. It advised: *We are pleased to confirm that after exploring the options to best support our customers longer term healthcare needs, we have selected UK health provider (named the insurer) as our preferred partner. We can now offer you the option to switch your Cigna cover too (insurer's) SME health insurance products with preferential terms including* ***no further underwriting*** *and a 30% discount for the life of your new (insurer) policy* ***(my emphasis).*** I find it was reasonable for CIGNA to find a 'switch' for its customers that would mean no further underwriting. For the avoidance of doubt this means that Mr D's cancer would not have been excluded as a pre-existing condition.

- Although a discount was offered, I can see how distressing it would have been for Mr D to receive a much higher quote from the preferred partner than that which he was paying CIGNA. But CIGNA didn't promise that any policy with its preferred partner would be at the same premiums Mr D was previously paying under his group scheme. And I can't hold it liable for the pricing structure of other insurers.

- I also accept that Mr D is very concerned about any future treatment he may need – he can't afford to pay privately and due to pressures on the NHS he is concerned there will be delays in treatment. But for the reasons given above in all the circumstances I don't find that CIGNA treated Mr D unfairly, contrary to his policy terms or to law. This being so there is no basis for me to require CIGNA to pay him the compensation that he has requested.

- Finally, and as Mr D is aware, the Financial Ombudsman Service is a free service for consumers, and legal representation is not required in order to bring a complaint here. So I'm not making any award in respect of legal fees incurred to date. I'm very sorry that my decision doesn't bring Mr D welcome news.

My final decision

My final decision is that I don't uphold this complaint.

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

Lindsey Woloski
Ombudsman