

## **The complaint**

Mr and Mrs O complain that Vitality Corporate Services Limited (VCSL) mis-sold them a personal private medical insurance policy.

## **What happened**

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the key events.

In November 2020, an appointed representative of VCSL sold Mr and Mrs O a personal private medical insurance policy. Mr and Mrs O were moving to the UK from abroad and the terms of their visa required them to take out private medical insurance. VCSL recommended that they take out a policy with an insurer I'll call A, as it was the only policy Mr and Mrs O were eligible for at that time. It seems that cover under that policy ended in 2021.

Subsequently, in May 2022, VCSL got in touch with Mr and Mrs O. It went on to recommend that they take out a new annual policy with an insurer I'll call T. Mr and Mrs O accepted the adviser's recommendation and cover provided by T began.

Mr and Mrs O made a claim on the policy with T. However, it seems T turned down their claim because Mr and Mrs O said they couldn't obtain a five-year medical history from abroad.

So Mr and Mrs O considered VCSL had mis-sold their private medical insurance policy with T to them in 2022. That's because they said if they'd known they'd need to provide a five-year medical history to T if they made a claim, they wouldn't have taken out the contract.

VCSL didn't consider it had mis-sold the policy with T. It said its adviser had given Mr and Mrs O clear information about the way T's policy worked in 2022. And it also said that in 2020, its adviser had specifically told Mr and Mrs O that in the event of a claim, they'd need to provide medical records from abroad.

Mr and Mrs O were unhappy with VCSL's position and they asked us to look into their complaint.

Our investigator recommended that Mr and Mrs O's complaint should be upheld. He didn't think the policy had been suitable for Mr and Mrs O's circumstances, given they'd said they weren't able to obtain their medical records from abroad. And he felt that if the adviser had made it clear that T would need Mr and Mrs O's five-year medical history, they wouldn't have taken out the policy. So he recommended that VCSL should refund all of the premiums Mr and Mrs O had paid for the policy with T, together with interest. He also recommended that VCSL should pay Mr and Mrs O compensation.

VCSL disagreed and so the complaint was passed to me to decide.

I issued a provisional decision on 1 November 2024, which explained why I didn't think VCSL had treated Mr and Mrs O unfairly. I said:

*'Both parties agree that VCSL advised Mr and Mrs O to take out the policy with T. This means it needed to carry out an assessment of their demands and needs and recommend a policy which was suitable for them. It also needed to give Mr and Mrs O enough clear, fair and not misleading information so that they could decide if the contract was right for them.*

*Having listened to the calls between Mr and Mrs O and VCSL's adviser, it seems the main reason they cancelled their original policy with A was because of cost. They appear to have wanted access to private medical services, which the policy with T offered, at a lower price. In my view then, the policy with T was suitable for Mr and Mrs O's main identified needs.*

*It's also important I make it clear that I don't generally think the requirement for a policyholder's medical history would make a policy recommendation unsuitable. Most, if not all private medical insurers, will generally require some medical evidence before they will accept a claim. Mr and Mrs O were eligible for the policy with T because they were registered with a UK GP. This means that T was providing them with cover while the policy was active. The contract document set out what medical information T might need in the event of a claim. And VCSL has provided evidence from T which showed that it wouldn't always ask for a policyholder's five-year medical history when assessing a claim. It seems the circumstances in which T requires further medical evidence is dependent on the claim at hand. So I'm not satisfied there was a blanket need in the contract for a policyholder's five-year medical history to be provided to T at the time of claim.*

*In any event, I've also listened to the calls Mrs O had with VCSL in 2020, at the time she and Mr O took out the policy with A. While I appreciate these calls relate to a different sale of a different policy, I think they're relevant to the outcome of this case. That's because during two calls, I think VCSL's adviser made it very clear that an insurer might require a policyholder's full medical records at the time of a claim – including Mr and Mrs O's records from abroad. And I think the adviser was reasonably entitled to believe that Mr and Mrs O had understood and accepted this point. Mr and Mrs O chose to take out the policy with A in 2020 despite being aware that their full medical records – including their records from abroad – could be needed by the insurer. So I think it would be difficult for me to reasonably find that they'd have decided against taking out the policy with T in 2022 even if this point had been specifically highlighted to them during the sales calls.*

*I note too that during Mrs O's complaint call with VCSL, she said it would be impossible to get her medical records from abroad because of the cost and time involved in doing so. So it seems to me that it would be open to Mr and Mrs O to request and obtain their medical records if they wished to do so, to allow T to assess a claim. I don't think I could fairly find that the fact it might take Mr and Mrs O some time to gather this information from abroad, or that they might incur costs in doing so, means that any recommendation to take out this policy was unsuitable.*

*Having considered everything, I think VCSL's recommendation to take out the policy with T seems reasonable and appropriate. And I'm satisfied that VCSL gave Mr and Mrs O enough clear, fair and not misleading information to allow them to decide whether or not it was right for them.*

*So while I'm sorry to disappoint Mr and Mrs O, I don't think I could fairly find that VCSL mis-sold this policy to them. And so I don't plan to tell VCSL to refund any of their premiums or pay any compensation.'*

*I asked both parties to send me any further evidence or comments they wanted me to consider.*

Neither Mr and Mrs O nor VCSL responded by the deadline I gave.

### **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, as neither party has provided any further evidence or comments, I see no reason to change my provisional findings.

So my final decision is the same as my provisional decision and for the same reasons.

### **My final decision**

For the reasons I've given above and in my provisional 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 Mrs O and Mr O to accept or reject my decision before 3 January 2025.

Lisa Barham  
**Ombudsman**