

## **The complaint**

Mr and Mrs M have complained that when Nationwide Building Society (“Nationwide”) changed the travel insurer on its FlexPlus travel insurance, it failed to consider the full costs for its customers.

## **What happened**

From 15 February 2024, Nationwide wrote out to its FlexPlus account holders to explain that, as the insurer that provides the FlexPlus travel insurance was exiting the market, it would be changing insurers on 1 May 2024.

Mr and Mrs M had paid the previous travel insurer £165.80 to upgrade the travel insurance cover. However, when they went to get a quote for an upgrade of cover with the new insurer (once their existing upgrade had expired), they were quoted £481.16 for comparable cover.

Unhappy with this, Mr and Mrs M complained to Nationwide. However, Nationwide didn’t uphold their complaint.

After Mr and Mrs M referred their complaint to this service, one of our investigators assessed the complaint, but they didn’t think that Nationwide had acted unfairly.

As Mr and Mrs M didn’t agree with the investigator’s assessment, the complaint was referred for an ombudsman’s 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 considered everything, I don’t uphold this complaint. I will explain why.

Firstly, in terms of the change of travel insurance provider, Nationwide was required to inform affected account holders of the change and provide them with reasonable notice. This was so that account holders could make an informed decision about what changes would occur and give them plenty of time to consider their options.

Nationwide has explained that it had sent out notifications to account holders in February 2024, and the change of insurer took place on 1 May 2024. Mr and Mrs M haven’t said anything to suggest that they weren’t informed about the impending changes. And looking at the letter that Nationwide says it sent out to all FlexPlus account holders, I’m satisfied that it provided a reasonable explanation about what change was taking place; when it would take place; and what options were available to account holders. The letter also explained what will happen with account holders who had already paid for an upgrade with the existing insurer. Which in summary, was that they would continue to be covered by the existing insurer up until the upgrade expired, at which point they would then be covered by the new insurer.

So from everything I have seen I think that Nationwide took reasonable steps to notify Mr and Mrs M about the changes. And I'm satisfied that Nationwide had explained what Mr and Mrs M's options were. This included downgrading their packaged account to a fee-free account, if they no longer felt it would be suitable for them with the new travel insurer and the subsequent changes in cover that resulted from that.

After the FlexPlus travel insurer had changed in May 2024, Mr and Mrs M later contacted the new insurer to purchase upgrades to the cover. When they did this, I understand that the new provider then quoted them £481.16 – which they say comprised of £30 per person to cover pre-existing medical conditions and also £421.16 to extend the trip limit to cover a trip for 81 days.

I can appreciate why Mr and Mrs M may've been surprised and also disappointed by this. After all, they say they'd paid £165.80 for comparable upgrades with the previous insurer. So it was a large jump in price. But it is the responsibility of the insurer, not Nationwide, to decide how much of an insurance premium should be charged, based on its own assessment of the risks involved. And the amount charged will depend on a number of criteria – such as what upgrades the account holder may want and what medical conditions the consumer has. As such, I can't reasonably say that Nationwide should be held responsible because Mr and Mrs M found the new insurer's upgrade premium quote to be expensive.

I understand that Mr and Mrs M say that during the procurement process Nationwide should've 'addressed the premiums' that the new insurer may charge customers to upgrade cover or be covered for pre-existing medical conditions. Nationwide has said that its FlexPlus account cost £13 per month (although has since increased to £18 per month) for the package of benefits as a whole i.e. not just the travel insurance. And overall, Nationwide says that the monthly cost is comparable in terms of cost and benefits to other packaged accounts offered elsewhere. And having considered what the FlexPlus offers compared to other packaged accounts provided elsewhere, I can't say that what Nationwide had said was unreasonable.

However, I don't think it is unreasonable if Nationwide didn't inform customers ahead of time that, should they wish to upgrade their cover and should they wish to declare medical conditions, that it may cost them more than the previous insurer charged. I say this because, as mentioned above, it is the travel insurer's responsibility to decide the premiums to charge for such things. And Nationwide provided account holders with the contact details of the new insurer. So, there was nothing preventing Mr and Mrs M from finding out the exact amount (which will have depended upon what upgrade they wanted and the status of any existing conditions) the new insurer may charge for the specific requirements, before deciding whether to stick with the FlexPlus travel cover, or whether to obtain cover from elsewhere.

Nationwide has made it clear that Mr and Mrs M were covered by the previous insurer up until the upgrade they'd already paid for expired. So, if Mr and Mrs M were no longer happy with the benefits of the FlexPlus account - once they'd been given a quote from the new insurer to upgrade their FlexPlus travel insurance - there was nothing preventing them from downgrading their account. And I can see that the ability to downgrade at any time was made clear to Mr and Mrs M when the notification regarding the change of travel insurer was sent out, earlier on in the year.

So taking everything into account, I don't think that Nationwide has acted unfairly or unreasonably in this matter. I therefore don't think it would be fair to say that Nationwide

should pay Mr and Mrs M for the difference between what the previous insurer and the new insurer charged for the cover upgrades.

**My final decision**

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 6 March 2025.

Thomas White  
**Ombudsman**