

The complaint

A limited company, which I will refer to as R, complains about the sale of its group private medical insurance policy by Lesson Moore Limited.

What happened

Both parties are aware of the circumstances of this complaint, so the following is intended only as a brief summary. Additionally, even where specific individuals have been involved in the events, I have largely just referred to R and Lesson Moore.

In 2023, R was seeking to take out a group medical insurance policy to provide for some of its employees. It approached Lesson Moore to provide advice on this and to arrange a suitable policy. Based on Lesson Moore's advice, R took out a policy with a third-party insurer, which I'll refer to as V.

The policy was set up on the basis that when a claim was needed, V would provide R's employee with a choice of four to five hospitals that would be local to the employee. R could alternatively have set this policy up on the basis that it would have been able to select the hospital it wished to attend from a full list of those offered by V.

In 2024, one of R's employees needed treatment for a knee condition. A claim was submitted, but V initially only gave the employee a choice of consultants at a single hospital. This hospital was located around 10 miles away from the employee and would require a round trip of almost two hours for treatment.

R contacted Lesson Moore to complain. It said that it had been told a choice of options would be provided and that these would be local. R did not consider the hospital offered was local. Lesson Moore responded, saying that the information provided during the sales process was that the option provided by V would be within 25 miles of R's employee, and as this was the location of the option that had been provided, R did not consider its explanation of the policy terms was incorrect.

R brought its complaint to the Ombudsman Service. But our Investigator did not recommend that it be upheld. She thought the information provided by Lesson Moore had been accurate.

As R remained unsatisfied, its complaint has been referred to me for 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.

Having done so, I am not upholding this complaint. I'll explain why.

I have considered all of the evidence provided, but I won't be commenting on each point made. This is not intended as a discourtesy, but rather reflects the informal nature of the Ombudsman Service. Instead, I'll be focussing on what I consider to be the key issues.

Lesson Moore had certain obligations when selling the policy to R. Essentially, these were to recommend a policy that was consistent with R's demands and needs. And to provide information that was clear, fair and not misleading.

As well as some email exchanges, copies of which have been provided, the sales process involved conversation over a web-based communication service. Unfortunately, these conversations were not recorded. Lesson Moore has said that it has taken on board that it would be helpful to have such recordings – and has indicated that it is changing its process going forward. That is good to hear, but the current circumstances mean that I do not know exactly what was discussed. I should say though that there is no specific requirement on Lesson Moore to make recordings of such conversations, so I cannot hold the fact that this was not done against it.

The situation is akin to one where there has been a face-to-face conversation. It is not possible for me to definitively know what was said. So, I must determine what was more likely than not said, and will take the other available evidence into account when doing so.

Lesson Moore captured R's overall objective as obtaining medical insurance that provided access to rapid treatment that would avoid use of the NHS. The desire for having very local hospitals was not included in this specific summary. But it seems clear that there was a conversation around which hospitals would be available under the relevant policy. And I am persuaded that one of R's main concerns would have been the ability to access treatment conveniently, which would include the length of time it would take to travel. And Lesson Moore was required to take this requirement into account when providing advice.

It is possible that Lesson Moore ought to have been more definitive in drawing R's attention to the fact that, under the option R was taking out, it could not be guaranteed that the hospital option given by V would be the closest hospital to R's employee.

R has said that it asked about specific hospitals as reassurance of where treatment might be offered. Specific reference was made at the time to a hospital within a mile or two of R's premises being one of those that might be included in the choice offered by V. This information was accurate. But Lesson Moore could have emphasised that, whilst the options provided by V would be local, they might not necessarily be the *most* local – so whilst this particular hospital might be offered, there was no guarantee of this.

I do think that the term "local" is open to interpretation to a degree though. What is seen as local to one person, might be seen as distant to another. And, given this potential for a difference of interpretation, I think there was a responsibility on Lesson Moore to provide some guidance on what the term local meant in terms of the policy and the hospitals that would be offered. I don't know exactly what was said in the discussions between the parties. But Lesson Moore's emails from the time of the sale refer to this locality as being "within 25 miles". So, I consider Lesson Moore did provide appropriate information in terms of this.

R has referred to the policy with V including terms that mean where certain conditions are claimed for, treatment would be provided by a particular network of V's supported hospitals. This would, in effect, act to limit the full list of hospitals that V would provide a claimant with to make their choice. It is also possible that this could have been discussed by Lesson Moore. But R and its employees did not have a condition at the point of sale that would lead to treatment involving this network. And ultimately, the situation in any claim – whether for one of these specific conditions or otherwise – would still involve V providing a limited selection for the claimant to choose from.

I think R would have understood that it, by taking out the option it was selecting, it would not have the choice of all the hospitals it might otherwise have. I also think that, whilst Lesson

Moore could have done more, it did do enough to make R reasonably aware that the option it was recommending meant R would only have a very limited choice from the full list of hospitals V supported.

It follows that R ought to have been reasonably aware that it might not have access to the closest hospital that existed and that some travel might be required. And that this travel might be up to 25 miles.

The benefit of this was that the policy cost less than it might otherwise have. It is worth pointing out that R would have had a number of objectives when taking out the policy. I accept that the desire for local treatment was, and ought to have been recognised by Lesson Moore as being, one of R's objectives. But R would also have had other objectives. Included in this would be the price of the policy paid.

I appreciate that, with hindsight, a different decision might have been made even where this led to an increased cost. This is evidenced by the changes R made at the point of renewal the following year. But the recommendation Lesson Moore needed to make in 2023 would have had to take into account the difference in price. An insurance broker recommending the most expensive policy available, even where this offered additional benefits, would not necessarily be acting fairly and reasonably. The recommendation process needs to balance competing needs.

So, I need to consider whether the recommendation made by Lesson Moore was suitable taking into account the multiple needs R had. And also, whether the information Lesson Moore provided R at the point of sale allowed them to make an informed choice.

Lesson Moore didn't recommend the cheapest policy available. For example, another option from V would have been cheaper, but this would have restricted the access to certain treatment. This would not have met R's requirement to avoid the need to rely on the NHS should such treatment be required. In terms of the issue over locality, Lesson Moore's recommendation was for a policy that would provide treatment from hospitals in a "local" area. There may be some dispute about how local R expected this to be. But, I consider Lesson Moore gave R information that was accurate and detailed enough to understand that this locality was an area of a 25 mile radius of R's employee.

Given this, I don't consider Lesson Moore's recommendation was inappropriate. And, whilst it might have done more to emphasise the fact the options R's employee might be given would not necessarily be the closest hospital, I consider Lesson Moore gave R with appropriate information to make an informed choice.

R has said that when the claim was made, and Lesson Moore were informed of the limited option provided by V, Lesson Moore were confused by this. And that this demonstrates Lesson Moore did not have a good understanding of the policy, so could not have provided appropriate advice or information at the point of sale.

I have listened to the recording of this call, which is available. I note that Lesson Moore said, "...the way [V] articulate this is that you should be able to go to hospitals within your local area and not outside of that..." and "my understanding is that with [this policy option] they should be giving you a choice and they haven't done so here".

I do note that V initially offered only one hospital as an option for R's employee. This not what Lesson Moore explained would happen during the sales process and this may be some reason for the "confusion" above.

But it also does not appear to be in line with the expectation given by the policy. Lesson

Moore would not be responsible for an insurer departing from the expectations given by the policy, and if R is unhappy with this that would need to be taken up with V.

As I understand it though, when R's employee advised V that the offered hospital wasn't suitable, several more options were provided. I make no finding on this point – as consideration of V's actions does not form part of this complaint – but this would indicate that R's employee was ultimately provided with what it ought have been from the policy.

It also seems likely that these hospitals were within 25 miles of R's employee. In the call with Lesson Moore, the advisor does refer to her understanding of how the policy works. The fact that R is based in one location and that the hospital offered is in another location is mentioned. But there is no discussion about the distance between these locations. So, I am not persuaded that the advisor's reference to the policy offering options within "your local area" demonstrates they weren't aware the policy was based on this being a 25-mile radius.

Ultimately, this complaint is about what happened at the time of the sale in 2023, rather than what happened in 2024 when the claim was made. And given the information set out in the emails sent around this time, I am not persuaded that is more likely than not that Lesson Moore gave R incorrect information or a recommendation that did not meet R's demands and needs.

I appreciate that this is not the outcome R or its directors were hoping for. But I do not consider it would be fair and reasonable to uphold this complaint against Lesson Moore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 28 March 2025.

Sam Thomas
Ombudsman