

## **The complaint**

Miss M and Mr P complain about how BUPA Insurance Limited reduced the No Claims Discount ("NCD") on their private health insurance policy.

## **What happened**

Miss M and Mr P hold a private health insurance policy which is provided by Bupa.

Miss M had two linked procedures approved by Bupa in July 2023, and they both took place that month. The first one took place on 15 July 2023 and Bupa approved it for payment on 19 July 2023, which meant that this impacted Miss M's NCD for the 2023 renewal.

The second procedure took place on 29 July 2023 and Bupa approved it for payment on 1 August 2023, which meant that this impacted Miss M's NCD for the 2024 renewal. This was because any claims approved for payment from 1 August 2023 onwards impacted the NCD for the 2024 renewal.

Miss M and Mr P don't think Bupa has acted fairly or reasonably in reducing Miss M's NCD over two policy years for treatment that was approved and carried out in July 2023 – so, within the previous NCD calculation period. They say Bupa should only consider these claims when calculating the NCD for the 2023 renewal, and not for 2024.

Our investigator didn't think Bupa had done anything wrong, as it had followed the terms of the policy when calculating Miss M's NCD. Miss M and Mr P don't think a strict application of the terms is fair and reasonable.

As no agreement was reached, the complaint has been passed to me to decide.

## **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 broadly agree with the overall conclusions reached by the investigator for the following reasons:

- The membership certificate explains that when assessing a policyholder's NCD and how this affects the price of the premium, Bupa will consider the value of claims it has approved for payment over a 12 month period. This being the last two months of the previous policy year and the first 10 months of the current policy year. For Miss M and Mr P, the relevant periods were from 1 August 2022 until 31 July 2023 for the 2023 renewal, and from 1 August 2023 until 31 July 2024 for the 2024 renewal.

- Bupa received the invoice for the procedure that took place on 29 July 2023 on 31 July 2023, and it approved this for payment on 1 August 2023. This means that under the terms of the policy, this claim impacted Miss M's NCD for the 2024 renewal. So, by considering this claim for the 2024 renewal, Bupa acted in line with the terms of the policy.
- Miss M says that as Bupa authorised the procedures in July 2023 – which was before the cut-off date of 1 August 2023 – it should apply both claims for calculating the NCD for the 2023 renewal. However, I think what's key is when Bupa received the invoices for the procedures, and if it approved these for payment within a reasonable amount of time. Bupa received the invoice for the second procedure on 31 July 2023 and approved it for payment the next day. I think this was fair and reasonable.
- I'm sorry to disappoint Miss M and Mr P but I don't think I can fairly ask Bupa to do anything different. Bupa processed the invoice promptly, and it calculated Miss M's NCD in line with the terms of the policy. And ultimately, insurers are entitled to decide how they assess risk and set premiums. I'm satisfied Bupa has treated Miss M and Mr P the same it would any other policyholder in a similar situation.

### **My final decision**

My final decision is that I don't uphold Miss M and Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M and Mr P to accept or reject my decision before 30 April 2025.

Renja Anderson  
**Ombudsman**