

The complaint

Mrs M has complained that MetLife Europe d.a.c. declined a claim she made on a private medical insurance policy.

What happened

Mrs M became seriously unwell in June 2023 and spent four months in hospital. She therefore made a claim on the policy for hospitalisation cover.

MetLife declined the claim on the basis that the circumstances are not covered under the policy terms.

Our investigator thought that MetLife had acted fairly and reasonably in declining the claim, in line with the policy terms. Mrs M disagrees and so the complaint has been passed 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.

I've carefully considered the obligations placed on MetLife by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for MetLife to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Looking at the policy terms, they state:

'Sickness (including pregnancy-related complications)

Provided you have held your policy for at least 12 months, we will pay the policy benefit shown in your Policy Schedule if, during the term of the policy, you are admitted to hospital as an inpatient for at least 24 hours caused by sickness (apart from pregnancy-related complications, as is set out below). In respect of an eligible child, if optional Child Cover has been held for at least 12 months since the policy start date or the date on which we accept inclusion of optional Child Cover (if added later), policy benefit for hospitalisation due to sickness will be payable. Policy benefit will be paid once the 12 month anniversary has been reached and is not payable for any time spent in hospital prior to the 12 month anniversary.'

Mrs M had taken out the policy on 6 June 2023 and was admitted to hospital on 24 June 2023. And her health condition meets the definition of 'sickness' under the policy terms, as

opposed to 'accident'. Therefore, on a strict interpretation of the above clause, the claim is not covered.

Mrs M understands all of that. However, she thinks it would be fair for MetLife to cover the claim because she suffered a terrible illness that came out of the blue.

There's no doubt that what happened to Mrs M was completely outside of her control. And insurance policies are there to cover unexpected life events. However, as already mentioned, it is up to the insurer to decide what it does and does not want to cover.

In this case MetLife has worded the policy specifically to exclude cover in the first 12 months. It's reasonable for it to do that, as long as it sets out any limitations clearly and transparently. I think MetLife has been clear in the above wording, and in its summary of cover document, that hospitalisation due to sickness is only covered once a policy has been active for 12 months.

I have a great deal of sympathy for Mrs M's situation. She suffered a life-threatening illness which has permanently changed her life. However, when looking at a case, I must look at what is fair to both sides. On balance, I'm not persuaded it would be fair to ask MetLife to act outside the policy terms to pay the claim. Overall, I consider it was reasonable for it to decline the claim.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 4 April 2025.

Carole Clark
Ombudsman