

## **The complaint**

Mrs H complains Simplyhealth Access unfairly settled her claim for a hospital admission cash benefit.

## **What happened**

Mrs H held a private medical insurance policy jointly with her husband for many years. The policy is underwritten by Simplyhealth Access and is designed to pay set benefits towards medical treatment and services.

Mrs H has explained that in the past, the hospital benefit under her policy was set at £60 for each night, and she had expected that this would remain the same. She spent a night in hospital in 2024, and after making a claim, Simplyhealth paid £20, rather than £60, which she had been expecting.

Simplyhealth said it made changes to the policy cover in 2021, changing the benefit for hospital admission to £20 per adult, per night. And it said it had written to Mrs H to tell her about the changes ahead of her renewal in 2021.

Mrs H said she didn't receive the letter in 2021 and had not been aware of the changes, which she thought were unfair. She told Simplyhealth she wanted to cancel her policy and made a complaint.

Simplyhealth responded. It said it had sent details of the changes to the policy by post in August 2021, and that these were effective from the renewal on 1 October 2021. And it confirmed it had actioned the request to cancel the policy, so it would not renew.

Unhappy with the response, Mrs H brought her complaint to this service. She said she thought Simplyhealth ought to refund all of the premiums she had paid since it made changes to the hospital admission benefit in October 2021.

An investigator here looked into what had happened and said they didn't think Simplyhealth had acted unfairly. Simplyhealth accepted the investigator's view. However Mrs H disagreed and asked for a decision from an ombudsman. In summary she said she'd not received the pack Simplyhealth said it sent in 2021. And she thought the insurer had deliberately buried the information about the change to the hospital admission benefit, to avoid consumers cancelling their policies.

So, the case 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.

And I've looked at the relevant rules and industry guidelines, which say an insurer must

handle claims promptly and fairly and shouldn't unreasonably reject a claim.

Having done so, I'm not upholding Mrs H's complaint, and I'll explain why.

Mrs H's policy is an annually renewable contract. This means, each year, she can choose whether or not to continue with the cover. And equally the insurer is entitled to make changes to the cover it offers, providing it gives consumers adequate notice of the changes.

Simplyhealth has provided evidence that it wrote to Mrs H in early August 2021, ahead of her next renewal on 1 October 2021, providing details of the changes which would take effect from the renewal date.

I've seen a copy of the communication Simplyhealth sent to Mrs H in August 2021, which includes the following:

- On the outer envelope: *"Important. Changes to your plan inside. Please read."*
- On page 2 of the letter under the heading *"Changes to your product for the year ahead"* the final paragraph states *"Due to the rising cost of healthcare, we've reviewed our hospital cover benefit and made the tough decision to alter the entitlement. This may effect your policy. Please refer to the table of Cover and terms and conditions for more information."*
- A summary 12 page policy booklet was also enclosed which says on the front page: *"Inside you'll find all you need to know about what is and isn't covered"* and on page 2 of the booklet, there is a table of cover which shows the hospital benefit to be £20.

I think this was adequate notice of the changes, and having reviewed the content of the communication, I'm satisfied it was shown that the documents were important and needed to be read. And I think the changes being made to the cover were sufficiently and clearly explained.

I accept Mrs H has said she didn't receive the letter which was sent to her by post in August 2021. And it may be that this was lost in the post. However this isn't something for which I can hold Simplyhealth responsible, as I'm satisfied by the evidence it's provided, that the pack was produced and despatched. I note Mrs H had previously selected for her policy to automatically renew, so she didn't need to respond to Simplyhealth in order to continue with her policy for another year from 1 October 2021.

Simplyhealth has evidenced that it sent renewal letters to Mrs H by post in 2022, 2023 and 2024, ahead of her annual renewal dates. And within each of these communications, a table of cover was provided which showed the level of hospital admission benefit was £20. So I'm satisfied that Mrs H was provided with details of her cover ahead of each of the subsequent renewals following the change to the policy in 2021. And had she been unhappy with the level of cover offered at any of these annual renewal points, she had the option to advise Simplyhealth she did not want to renew the policy.

As I've explained, I'm satisfied that Simplyhealth was entitled to make changes to the policy ahead of the renewal in 2021, and that it provided Mrs H with sufficient information about her cover. As the level of hospital admission benefit had changed to £20 per night from October 2021 and remained at that level until Mrs H cancelled her policy, I don't think it unfair that Simplyhealth settled her claim for that amount, following her hospital stay in 2024.

Mrs H has said she would like Simplyhealth to refund the premiums she paid between October 2021 and when she cancelled her policy. However, I won't be directing Simplyhealth to do this, as I haven't found that it's done anything wrong.

### **My final decision**

For the reasons I've given, it's my final decision that I do not uphold this complaint. And I make no award against Simplyhealth Access.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 22 April 2025.

Gemma Warner  
**Ombudsman**