

The complaint

Mr and Mrs N have complained that ActiveQuote Limited mis-sold a policy to them as it provided misleading advice about the moratorium and what would be covered.

What happened

Mr and Mrs N bought a private medical insurance policy on a moratorium basis, sold by ActiveQuote.

During the sales call, Mr N asked about treatment he was planning on having in the future. He talked about two hernias which he'd had for years. The adviser said Mr N would be covered if he was trouble free for two years after the start of the policy. However, this was incorrect advice as the hernias were present and therefore he had symptoms by the very nature of their presence – this means they were not covered and he wouldn't be able to claim for treatment relating to his hernias.

Mr and Mrs N complained and ActiveQuote accepted it had made a mistake. It offered £150 compensation for the loss of expectation due to incorrect advice.

Dissatisfied, Mr and Mrs N referred their complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint and found that the policy was suitable overall and that the £150 compensation offered was appropriate.

Mr and Mrs N disagreed and asked for an Ombudsman's decision.

And so the case has been passed to me.

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 don't think this complaint should be upheld. I'll explain why.

- The background to this matter has been set out in quite some detail by the investigator. So I won't repeat the facts here again. Instead, I will focus on what I consider to be key to my conclusions.
- The relevant rules say a seller should ensure the product is suitable for the needs of the buyer. And it should provide clear, fair and not misleading information.
- In this case, Active Quote accepts that it provided incorrect advice during the sale but it still thinks the policy was suitable for Mr and Mrs N's needs.
- I've reviewed the information available from the time of the sale. Mr and Mrs N said they wanted prompt treatment if they became unwell. They wanted a competitive

price and the premium offered was affordable. There were also further discussions about Mr and Mrs N's other ongoing pre-existing conditions and they were correctly advised they wouldn't be covered due to the moratorium and Mr and Mrs N accepted this was the case.

- So overall, I think the policy was suitable for Mr and Mrs N's needs as the adviser did discuss their pre-existing conditions, affordability and what a moratorium was (pre-existing conditions within the last 5 years would not be covered straight away. After two years of being symptom free, they would be covered). It is unlikely Mr and Mrs N would have been able to find another personal private medical insurance policy for a similar price with cover for pre-existing conditions.
- I do agree that they suffered some disappointment when they realised the adviser had given them incorrect information in relation to Mr N's hernias. For this, I agree that the £150 compensation offered is fair and reasonable as the hernias never would have been covered and it's unlikely that Mr N could have got this cover elsewhere. In addition, Mr and Mrs N were covered under the terms of the policy for eligible conditions so I can't say they've lost out.
- I appreciate Mr and Mrs N will be disappointed with my decision but I can't fairly ask ActiveQuote to do anything more.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N and Mr N to accept or reject my decision before 25 April 2025.

Shamaila Hussain
Ombudsman