

The complaint

Mr and Mrs B are unhappy with USAY Business Limited because they say it mis-sold them private medical insurance.

What happened

Mr and Mrs B took private medical insurance through USAY in August 2024. This was an advised sale.

Mr and Mrs B said USAY mis-sold the policy because they were told they'd receive a 10% multi discount which was incorrect. Mr and Mrs B said they ended up cancelling the policy because of the misinformation given by USAY. They would like a refund of the two months premiums paid; an apology from the adviser who they say spoke to them rudely; and compensation for the distress and inconvenience which Mrs B described as having had a significant impact on her mental health.

USAY said it made an error by telling Mr and Mrs B that they would receive the discount. It realised that to qualify for the offer, they needed to be new customers with multiple policies. It said the discount wasn't the primary cause for them taking the cover and therefore it offered £100 compensation as an apology.

Our investigator didn't think that was fair. She was persuaded that the discount was an important factor for Mr and Mrs B and felt the conversation they had with USAY could have been handled differently. She felt £200 compensation was a fair resolution in the circumstances.

USAY accepted her findings, but Mr and Mrs B did not. In summary, they said they cancelled the policy because they were unable to benefit from the offer. They also said the premiums were taken from them without their consent as they agreed a different price and so they'd like them returned. Mr and Mrs B explained they should be put back in the position they were in had the error not occurred and so it's now for me to make a final 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've decided to uphold it, however, I think the compensation recommended by our investigator is fair and so I make no further award here. I'll explain why.

It's not in dispute that an error occurred during the sales process and that Mr and Mrs B were told they'd receive a discount for taking the policy. This offer was for new customers and so Mr and Mrs B didn't qualify for it as they weren't new customers.

Mr and Mrs B received two months' worth of cover at the enhanced price before cancelling their policy. And so, I'm satisfied their financial loss is considerably less than the compensation recommended and therefore I disagree with their argument that they've not

been put back in their original financial position.

I'm also not persuaded USAY should effectively reimburse the premiums they paid as I'm satisfied, Mr and Mrs B still benefited from the cover provided by the policy. That's to say that had they brought a successful claim during that time, the policy would have paid them benefit. And so, I don't think it'd be fair to ask USAY to effectively provide them with free cover because of the mistake it made.

Mr and Mrs B have made arguments about the service they received, in particular, during a conversation with one of USAY's advisers. To be clear, I've listened to the calls, and I found no evidence to support Mr and Mrs B's testimony that they were spoken to rudely, or unprofessionally. Mrs B had the conversations with USAY and whilst I appreciate she didn't get the outcome she'd hoped for, that doesn't mean USAY mistreated her in the way she's described.

I thought the particular conversation Mrs B referred to in her complaint was well handled and so I'm not persuaded she was caused the level of distress she described in her complaint following that particular conversation. However, I do accept that because this was a joint policy that was sold, that both Mr and Mrs B were inconvenienced by the misinformation USAY provided about the introductory offer. And it's for these reasons, I feel the £200 compensation is fair as it affected them both.

My final decision

I'm upholding Mr and Mrs B complaint for the reasons I've explained and USAY Business Limited must now pay them £200 compensation for the distress and inconvenience caused.

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

Scott Slade
Ombudsman