

## **The complaint**

Mr M has complained that Simplyhealth Access cancelled his private medical insurance (PMI) policy without his knowledge.

## **What happened**

Simplyhealth wrote to Mr M in January 2024 to inform him that it was cancelling the policy from the renewal date of 1 February 2024. However, Mr M didn't receive this letter. It wasn't until August 2024, when he tried to access his online account, that he realised there was an issue.

I wrote a provisional decision last month in which I explained why I was minded to uphold the complaint and award £100 compensation for distress and inconvenience.

Simplyhealth responded to say it accepted my provisional decision. Mr M provided some additional comments that I will address below.

## **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.

In my provisional decision I set out the relevant policy term relating to when cover would come to an end. Simplyhealth had made a commercial decision to withdraw the particular legacy plan that Mr M held. It was entitled to do that, and the terms made it clear that a policy would come to an end at that point.

Simplyhealth had contacted all affected policyholders, including Mr M, by mail on 4 January 2024. He unfortunately didn't receive the letter. As I was satisfied that it had been sent, it seemed it had got lost in the post, which Simplyhealth couldn't be held responsible for.

However, as explained in my provisional decision, Mr M had rung Simplyhealth on 10 January 2024 to amend his level of cover. I'd listened to the call and the adviser talked about the renewal date being 1 February 2024 and how the changes would take effect from then. She said that confirmation would be sent out in the post.

Apparently the system hadn't been updated at that point and so the adviser would have been unaware that the upcoming renewal wasn't going to go ahead.

As cancellation letters had been sent out on 4 January 2024, I thought it remiss that the system hadn't been updated to reflect that. It was reasonable that Mr M would expect to be given accurate, up-to-date information on the status of his policy.

As a result of the phone call, Mr M was then sent a 'summary of cover' letter, setting out his new premiums. That was distinct from a renewal notice. The letter actually states: *'Please note however, that this collection amount is subject to change on your Policy Renewal Date,*

*1<sup>st</sup> February 2024, or if you request a change to your Policy. Any such change will be advised to you in your Renewal Quotation.'*

Mr M was then not sent a renewal notice because the PMI had been cancelled. However, it was completely understandable that Mr M would assume that the summary of cover letter was confirmation of his renewal, especially as he hadn't received any information to the contrary.

On 16 August 2024 Mr M rang Simplyhealth due to no details showing on his online account. This is when he was informed that the policy had been cancelled in February 2024. When Mr M complained about that, Simplyhealth then made an error with regard to his employer's name. This caused him to check with his own HR department that they hadn't cancelled the policy.

Subsequent to this, Mr M then purchased new contact lenses in September 2024, the costs of which would have previously been covered under the policy. He thought that Simplyhealth should pay for those due to the mess it created. He had been offered other plans by Simplyhealth but didn't find them suitable for his needs. And, although he had taken out alternative PMI with another provider, he was still within the qualifying period whereby he wasn't able to make a claim as a new joiner.

As I said in my provisional decision, I wasn't persuaded that Simplyhealth should pay the cost of the contact lenses. He knew in August 2024 that the policy had been cancelled and wouldn't be reinstated. He would therefore have known that he had no longer had cover under the policy. Mr M agreed to the terms of his new policy when deciding to buy it. It's unfortunate that those terms included an initial qualifying period, however, Simplyhealth are not responsible for any issues relating to his new cover.

In response to my provisional decision, Mr M says that Simplyhealth's errors led him to believe that he always had cover. That may have been the case up until August 2024. But he wasn't caused any detriment by that. He hadn't been paying premiums since the policy had been cancelled and he hadn't needed to make a claim. And he knew prior to purchasing the contact lenses that there was no policy in place to cover that cost.

Also in response to my provisional decision, Mr M has listed the issues that I agreed with him about and that, as such, the awarding of £100 doesn't seem to be enough compensation.

I did agree that he was given incorrect information over the phone in January 2024. However, in other respects, he has apparently misunderstood what I said in my provisional decision.

I did not agree that Simplyhealth sent him a renewal letter incorrectly. As I have said, no renewal letter was sent out, although I can understand why he mistook other correspondence for a renewal letter.

I also did not agree that it gave him incorrect information when he called to check on his policy in August 2024. It was at that point that it correctly told him that the policy had been cancelled, although it did subsequently make a mistake in relation to his employer's name.

Mr M has said that regulatory agencies like ours need to hold insurance companies to account. It's important to make clear that we are not the industry regulator. We have no power to regulate the financial businesses we cover, nor to direct them to change their processes or procedures. Our role is to investigate individual complaints made by

consumers to decide whether, in the specific circumstances of that complaint, a financial business has done something wrong which it needs to put right.

Based on the available evidence, I remain satisfied that Simplyhealth acted reasonably when making a commercial decision to cancel the policy. However, there was clearly some poor service, as set out above.

I've thought about everything Mr M has said in his latest submission. However, I have not been persuaded to change my provisional conclusions. On balance, I consider that £100 is sufficient compensation for the distress and inconvenience caused to Mr M.

### **My final decision**

For the reasons set out above, my final decision is that I uphold the complaint and require Simplyhealth Access to pay £100 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 April 2025.

Carole Clark  
**Ombudsman**