

The complaint

Miss K is unhappy with the premium increase on her private medical insurance policy with BUPA Insurance Limited (BUPA).

What happened

Miss K had a private medical insurance policy with BUPA.

When she renewed her policy in 2023, Miss K says the premium increased. She cancelled the policy and took out a new one with a substantial reduction in the premium.

She was unhappy and made a complaint to BUPA. It said the premium had been correctly calculated on the previous policy based on a number of factors and it was unable to change the price.

Unhappy, Miss K brought her complaint to this service. Our investigator didn't uphold it. He didn't think BUPA had treated Miss K unfairly.

Miss K disagreed and asked for the complaint to be referred to an ombudsman. So, it's 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.

As the key issue is about the price of the policy, I will consider whether BUPA's premium was in line with how it charges premiums for other customers.

As a starting point, I should say that the Financial Ombudsman Service doesn't set the rules on how an insurer can price policies. It's up to an insurer how much to charge for its policies so long as it exercises its judgement fairly and also that it hasn't treated Miss K unfairly compared to others in a similar position.

I note that Miss K cancelled her policy and took out a new one with BUPA. The premium on this new policy was significantly lower than that on the renewed policy.

BUPA has provided an explanation of how its premiums were priced. I've checked the criteria applied by BUPA. And I haven't seen anything to indicate that Miss K was treated any less favourably than other policyholders in the same position. So, I don't think it's done anything wrong here.

I can't ask BUPA to share commercially sensitive information. But I have seen and checked the information it has provided. And I haven't seen anything which shows Miss K has been treated differently or unfairly. BUPA has taken into account a number of factors such as age, healthcare costs, where a person lives, and the number of claims made.

Miss K said the premium on her new policy reduced by 79% for exactly the same cover, with

identical employment and other circumstances. She finds this excessive and unjustifiable. BUPA has explained that the previous, renewed policy was a continuation of cover following on from Miss K's previous employer and the underwriting date carried over from this policy. So, cover on that policy, for eligible treatment of conditions, was provided. The new policy was re-underwritten and any conditions which were present at the start date of the new policy (whether diagnosed or not) wouldn't be covered. As such there is a reduced level of risk on the new policy and therefore also reflects the reduced premium associated with the policy. Miss K says this still doesn't explain the significant difference in the premiums. However, this simply means that BUPA provided more cover on the previous policy than her new policy and therefore the risk for BUPA now is reduced and the premium reflects this. So, I don't think BUPA treated her any less favourably than any other customer in the same situation.

I acknowledge Miss K's comments that her neighbours and peers with potentially higher health risks have been charged substantially less. I can't comment on this unfortunately because I'm not aware of the underwriting criteria that may have been used on their policies. I can only comment on what's happened here.

I realise the strength of feeling Miss K has on this issue. However, overall and in the circumstances of this complaint, I'm not persuaded that BUPA has treated her differently or unfairly. I'm sorry to disappoint Miss K, but it follows therefore that I don't require BUPA to do anything further.

My final decision

For the reasons given above, I don't uphold Miss K's complaint about BUPA Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 14 May 2025.

Nimisha Radia
Ombudsman