

## **The complaint**

Mr G1 and Mr G2 are unhappy with the service they've received from Vitality Health Limited in relation to a claim made on a private medical insurance policy and the charge for the premiums of the policy.

Although they are represented I'll refer to submissions being made by Mr G2, who is the main subject of the complaint.

## **What happened**

Mr G2 is unhappy that Vitality declined to pay a claim for an acute flare up of Ulcerative Colitis, despite policy wording confirming that there was cover. He's also unhappy with the excessive and exploitative premium charges which he says has placed him in an unfair financial position.

Vitality looked into Mr G2's complaint and maintained that their decision to decline the claim was fair, and in line with the policy terms. They said the premiums had been set in line with the policy terms and reflected factors including age and claim value. Unhappy, Mr G2 complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. He thought that Vitality had fairly declined the claim and that the premium increases were in line with the policy terms.

Mr G2 didn't agree as he felt the investigator hadn't understood the crux of the complaints. In summary, he said he experienced an acute flare up which ought to have been covered based on the policy wording.

## **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.

I'm sorry to hear about the impact of Mr G2's condition on his health and that he's experienced financial hardship as a result of the cost of the premiums he's paid to Vitality. However, I'm not upholding this complaint for the reasons set out below.

## **The policy terms and conditions**

The relevant policy terms and conditions say:

What is a chronic condition?

A 'chronic condition' is a disease, illness, or injury that has at least one or more of the following characteristics:

- it needs ongoing or long-term monitoring through consultations, examinations, check-ups, and/or tests

- it needs ongoing or long-term control or relief of symptoms
- it requires your rehabilitation or for you to be specially trained to cope with it
- it continues indefinitely
- it has no known cure
- it comes back or is likely to come back.

Your plan covers the cost of treatment for acute conditions. These are conditions that respond quickly to treatment which aims to return you to the state of health you were in before suffering the condition, or which leads to your full recovery.

However, there are certain medical conditions that can end up needing regular consultations and treatment over a long period of time. These are the kinds of conditions which we, and the medical profession, usually refer to as chronic conditions. We will normally not cover treatment of a chronic condition if the purpose of the treatment is just to control the symptoms.

[...]

If your condition gets worse and you suffer an acute flare-up of a chronic condition, then we may cover the treatment necessary to return you to the state of health you were in before your condition worsened.

The terms also explain how Vitality calculate the premium at renewal. It says:

We believe that premium changes should be fair, intuitive and transparent so, in this section, we have outlined how we calculate the changes to your premium at each annual renewal date. We call this our ABC pricing approach.

We take the following into account when determining your renewal premium:

- your Age. As it is more likely you will need to claim as you get older, your premium will rise each year to take account of this.
- the Base rate. This is the change in the cost of providing healthcare, taking into account the charges made by hospitals and other providers, as well as advances in areas such as medical technology and drugs.
- an adjustment for the Claims you have made, and your Vitality status. This is the part of your renewal price that you can control.

The increase in your renewal premium will be the sum of these three items (A + B + C).

### **The claim decision**

I'm not upholding this complaint point because:

- I think it was reasonable to consider that Mr G2's condition fell within the above exclusion. Ulcerative Colitis is, according to the NHS, a long-term condition.
- I'm not persuaded that, on the facts of this case, the policy confirmed that cover

would be available. I think the terms are sufficiently clear that chronic conditions aren't always covered and there are limitations to the level of cover for such conditions.

- The call from Mr G2 to Vitality about the claim isn't available. However, there is a note of the call available. I think it's reasonable to rely on that note. Mr G2 explained he'd been diagnosed with ulcerative colitis and there was a discussion about the symptoms. Vitality concluded from that conversation that they weren't new or acute sudden symptoms. So, based on the evidence that's available, I don't think it was unreasonable to decline the claim. I'm not persuaded that Vitality acted unreasonably by applying the exclusion and declining the claim.
- In such circumstances I wouldn't usually expect an insurer to obtain further information to decide whether there was further evidence that might support the claim. It was open to Mr G2 to provide more medical evidence if he wanted to. Vitality offered to consider this during the complaint process.

### **The premium increases**

I'm not upholding this complaint point because:

- I'm not persuaded that the policy premiums are excessive and exploitative as Mr G2 has suggested.
- I think Vitality has calculated the premium in line with the policy terms. I'm satisfied they've adequately demonstrated how the relevant factors influenced the increases in Mr G2's policy. And I think Mr G2 was treated the same as any other policyholder who had the same relevant factors.
- I appreciate that Mr G2 feels that the premiums are excessive compared to other insurers in the market. However, Vitality is entitled to set the price of the policy. It's a commercial judgement they are entitled to make. And it also reflects the level of cover they are willing to offer.

### **My final decision**

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G1 and Mr G2 to accept or reject my decision before 17 July 2025.

Anna Wilshaw  
**Ombudsman**