

## **The complaint**

Mr W is unhappy that Howden Employee Benefits and Wellbeing Limited (Howden) didn't offer a continuation of cover on his private medical insurance scheme when he left his employer.

## **What happened**

Mr W had private medical health cover through his employer. His employer's healthcare scheme was set up as a trust. This means Mr W's employer pays money into a trust which then pays for medical treatment or reimburses Mr W's medical expenses.

This complaint has been made against Howden who was required to assist Mr W when he was due to leave his employment and therefore the employer's healthcare scheme. Howden's role was to provide Mr W with independent advice on the most suitable policy for Mr W. This was a service provided by Mr W's employer to assist employees.

The insurer of the healthcare scheme changed while Mr W worked for his employer. The previous insurer provided the option of continuing cover but when his employer changed the insurer, the new one didn't offer this.

When Mr W was due to leave his employment, he says Howden didn't offer him a continuation of his medical conditions. So, any new cover he took out would mean that his pre-existing medical conditions would be excluded.

Mr W made a complaint to Howden. It said when the scheme changed to a new insurer, there was no option for Mr W to continue his cover. Howden said it hadn't treated Mr W unfairly as the decision to not offer this continuation in cover was made by the insurer – not Howden.

Unhappy, Mr W brought his complaint to this service. Our investigator didn't uphold the complaint. She said she couldn't look into the healthcare scheme provided by his previous employer as it was set up as a trust and this wasn't within this service's jurisdiction.

Our investigator also said this service could only look at Howden's actions in its capacity as a broker providing advice about taking out a new individual private medical insurance policy. She didn't think Howden had done anything wrong.

Mr W 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.

At the outset, I confirm that I cannot consider any issues regarding the healthcare scheme provided by Mr W's previous employer as this was set up as a trust. I've taken into account the relevant rules and legislation including DISP 2.3.1, PERG and FSMA 2000 (Regulated

Activities) Order 2001. Whilst I understand that the crux of the issue here is that Mr W believes Howden didn't offer him a continuation of cover, this was decided between his employer and the new insurer. The option of continuing cover for a pre-existing medical condition was no longer provided when his employer changed to the new insurer. As the healthcare scheme was set up as a trust for the benefit of the employees, it is governed by trust law rather than by financial services regulations. I therefore won't be commenting further on this issue.

I have however considered what happened when Mr W contacted Howden in regard to seeking individual private health cover when he was due to leave his employment.

I note that Mr W's employer stated, on page 22, the following within the trust plan's terms and conditions:

*'Leaving the Scheme - Individual Cover*

*If you are leaving the scheme for one of the above reasons and would like to continue with your own medical cover, we have arranged for Howden Employee Benefits to assist you. They will discuss your specific requirements and provide you with independent advice on the most suitable insurance policy for you. This service is available to you at no cost.'*

Howden said it had a fact find discussion with Mr W. His pre-existing medical conditions were discussed and the impact of these was highlighted to Mr W. Howden explained that individual cover would exclude any pre-existing conditions and that there was no continuation option available with the insurer of the healthcare trust scheme. I note that Mr W didn't take out a new policy through Howden.

I understand that Mr W is unhappy that he wasn't informed there was no continuation option provided by the new insurer. However, this relates to how the scheme was set up between the employer and the insurer and an issue I can't consider as explained above. And I can't make Howden responsible for this.

From the information available, I think Howden handled Mr W's query about wanting continuation of cover from the group scheme to the individual policy, fairly and reasonably. I appreciate that not having the option of continuing cover has left Mr W in a difficult position. But I can't hold Howden responsible for this as the decision not to offer this option wasn't within Howden's control. It was only required to provide independent advice to Mr W. In the circumstances here, I think Howden provided relevant information to Mr W that it was expected to. It informed Mr W about like for like cover, about the continuation option and the exclusions that would likely be applied on a new policy for pre-existing conditions. Based on this information, my understanding is that no new policy was taken out through Howden due to the potential exclusion of Mr W's pre-existing medical conditions.

Overall, taking everything into account, I don't think Howden acted unfairly or unreasonably in providing information to Mr W. I'm sorry to disappoint Mr W, but it follows that I don't require Howden to do anything further.

**My final decision**

For the reasons given above, my final decision is that I don't uphold Mr W's complaint about Howden Employee Benefits & Wellbeing Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 June 2025.

Nimisha Radia  
**Ombudsman**