

The complaint

Mr K is unhappy with Vitality Health Limited (Vitality) as it informed him that new benefits were coming onto his private medical insurance policy.

What happened

The background to this complaint is well-known to both parties. So, I've simply set out a summary of what I think are the key events.

Mr K's private medical insurance policy was due for renewal in February 2024.

Mr K contacted Vitality to ask why the premium had increased and why his member discount was so low. He also said where he lived was causing him a disadvantage in the benefits he received. He was informed new benefits were coming on the policy which Mr K would benefit from. So, Mr K decided to renew the policy with Vitality in March 2024.

Mr K hadn't heard anything further from Vitality and chased this in May, June and July 2024. So, he made a complaint. Vitality apologised that Mr K was misled that further benefits would be added on his policy. It said whilst there was a review of the benefits being undertaken on the policy, it couldn't guarantee whether these would be in Mr K's favour. Vitality offered to send Mr K a food hamper in recognition of this.

Unhappy, Mr K brought his complaint to this service. He said he was misled when he renewed his policy. Had he known at the time that the review of the benefits may not be to his favour, he would have taken a policy with another provider which was less expensive.

Our investigator said Vitality did provide information which meant that Mr K thought he would receive more favourable rewards on his policy in the future. She didn't think the policy was mis-sold. She recommended that Vitality pay Mr K £75 compensation for the distress and inconvenience caused to him.

Vitality accepted the investigator's findings.

Mr K didn't accept this 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.

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers. I've taken these rules into account when looking at this complaint.

Having reviewed everything and listened to the call recordings, I'll be partially upholding this complaint. I'll explain why below.

The key issue in dispute here is that Mr K says he was led to believe the rewards on his policy were being reviewed and that they were going to be more favourable to him. So, on that assurance from Vitality, Mr K renewed his policy despite receiving better quotes from other providers.

The starting point is the telephone call Mr K had with Vitality in March 2024. Mr K spoke to an advisor as his policy was due for renewal. He said the premium had increased. Mr K also said the benefits weren't great for the location he was living in and the advisor explained these were being reviewed in May 2024. The advisor also said the review would hopefully cater for Mr K. So, he decided to renew his policy.

I note Mr K then chased Vitality in May, June and July 2024. At this point, he made a complaint because he said he was misled. I understand how the telephone call in March 2024 could have made Mr K think he would benefit from the review that was taking place by Vitality - reference was made to benefits that might cater to Mr K. However, I'm not persuaded that there was a guarantee put on this or that Mr K was told this would definitely happen. I realise that Mr K renewed the policy based on the telephone call. But overall, I don't think Mr K was misled as the advisor said the review was taking place and that could potentially benefit Mr K. No guarantee was given and Mr K still continued to benefit from the policy.

I have however looked at how this information impacted Mr K. Vitality sent Mr K a food hamper to apologise for the inconvenience caused. Mr K expected the benefits to change. So he chased Vitality asking for an update. I don't think a hamper is sufficient in the circumstances here. I think £75 compensation for what happened is fair and reasonable and for the impact caused to Mr K. I don't think a refund of his premium and a cap of the annual premium is fair, taking everything into account.

I've considered that Mr K would have likely taken a policy with another provider had he not been given the information on the telephone call in March 2024. Whilst I appreciate the strength of feeling he has on this matter, it's open to Mr K to decline the policy and it remains the case that he's not obliged to continue with it. I do however understand that's not always possible. I don't doubt that the information Vitality provided had an impact on Mr K and I'm satisfied that £75 compensation is fair and reasonable in recognition of this.

Overall, for the reasons given, I partially uphold Mr K's complaint.

Putting things right

I direct Vitality to pay Mr K £75 compensation for the distress and inconvenience caused to him.

Vitality must pay this within 28 days of the date on which we tell it Mr K accepts my final decision.

My final decision

My final decision is that I partially uphold Mr K's complaint about Vitality Health Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 9 September 2025.

Nimisha Radia

Ombudsman