

The complaint

Mr D is unhappy that Exeter Friendly Society Limited didn't renew his private health insurance policy ('the policy'), that it collected a premium for the policy even though the policy wasn't going to be renewed and that he was prevented from the benefit limits resetting (for the outpatient consultation and tests) in the forthcoming policy year.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my decision.

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 can see that Mr D feels very strongly that Exeter Friendly acted unfairly here. I know he'll be disappointed but for the reasons set out below, I don't uphold his complaint.

The policy terms say:

In rare cases where we decide that a policy should not be renewed, we will always give you due notice of our intention.

The policy would've been due for renewal around 1 May 2025. However, Exeter Friendly wrote to Mr D at the end of February 2025 giving him notice that the policy won't be renewed and will end at 23:59 on 30 April 2025. That's because the type of policy he benefitted from wouldn't be available as part of its product offering going forwards.

I'm satisfied that was a commercial decision which impacted all policyholders and beneficiaries of the type of policy Mr D benefitted from. Mr D was given around two months' notice of this decision and was told that there were other product providers available. It also included details of a named provider that Mr D might be interested in. So, whilst Exeter Friendly's decision would've been disappointing to Mr D, I'm persuaded that it acted fairly and reasonably by taking – and informing Mr D of – the decision not to renew the policy.

Mr D paid for the policy in quarterly instalments; each quarterly payment paid for the three months ahead. Although, Exeter Friendly collected the final quarterly premium due for the policy (covering the policy year May to April 2025), around three months before the policy was due to renew, I don't think that was unreasonable.

I know the policy didn't end up being renewed by Exeter Friendly, but I don't think that means Mr D didn't need to make the final quarterly instalment for the policy he benefitted from (or that it should've been refunded to him). Cover was still in place for the last three months of the policy and Mr D could've still benefitted from the policy if he needed to make a claim (subject to the remaining terms of the policy). Exeter Friendly was also still insuring the risk of covering a claim for treatment during that period.

Exeter Friendly has an obligation to not unreasonably decline an insurance claim. The maximum payable for outpatient consultation and tests under the policy is £750 per benefit/policy year. It isn't disputed that the maximum benefit was paid by Exeter Friendly for a consultation in June 2024. So, I'm satisfied that Exeter Friendly fairly declined a claim for a follow up outpatient consultation in October 2024 in the sum of £225 as the benefit limit had already been met.

When confirming to Mr D that it wouldn't be covering the payment of £225, it said in its letter dated the end of October 2024 that the benefit entitlement will reset when the policy renews in May 2025. For reasons set out above, the policy wasn't renewed. However, even if it had, I'm satisfied that Mr D wouldn't have reasonably been able to claim for the £225 consultation fee he incurred in October 2024 as the consultation wouldn't have taken place in the next policy year. So, I don't think Exeter Friendly's decision not to renew the policy unfairly prevented Mr D from making the same claim again for treatment which occurred in a different policy year. Having considered Exeter Friendly's letter dated the end of October 2024, I'm not convinced that anything written reasonably suggested that it could.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 26 December 2025.

David Curtis-Johnson
Ombudsman