

The complaint

Mrs S has complained that Exeter Friendly Society Limited (“Exeter”) is terminating her private medical insurance plan.

What happened

Mrs S has had a private medical overseas plan with Exeter since 1990. In December 2024 Exeter advised Mrs S that it would no longer provide cover for its members living outside the UK after the December 2024 renewal. Mrs S felt that this was unfair and unethical. She wanted the policy to continue for the duration of her life or for Exeter to arrange an alternative policy. When Exeter didn’t agree Mrs S referred her complaint to this Service.

Our investigator didn’t recommend that it be upheld. She didn’t find that Exeter had done anything wrong.

Mrs S appealed. She is represented, in summary the representative said:

- Exeter had acted wrongly and callously and put Mrs S and many others similarly affected in harm's way by its action. The investigator's view that Exeter had acted in line with the policy terms and conditions completely ignored other aspects considered vital and relevant by the Financial Conduct Authority.
- The notice given did not mitigate Exeter’s action - it would still be difficult for Mrs S to get insurance because of her advanced age. The six-month waiver was the very least Exeter could do considering the terrible position into which it had put its policyholders.
- The representative didn’t consider that Exeter had complied with its regulatory duties – including the duty to treat customers fairly and the Consumer Duty. They said that appropriate weight and consideration should be given to the relevant standards and obligations set by the Financial Conduct Authority.

As no agreement has been reached the complaint has been passed to me to determine.

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.

Having done so, and although I’m very sorry to disappoint Mrs S I agree with the conclusion reached by the investigator for the following reasons:

- I'd like to reassure Mrs S that whilst I've summarised the background to this complaint, I've taken into account the relevant law and regulations and good industry practice as well as all the submissions made. In this decision though I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.
- Exeter must abide by the regulations set down by the Financial Conduct Authority – these include treating customers fairly and complying with the principle to act to deliver good outcomes for retail customers. So I've carefully considered what that means in the circumstances here.
- Mrs S's policy, which renews annually, provides: *The Society is not obliged to continue to offer or renew any plan*. As this is a term of the contract I'm satisfied that there was no contractual obligation on Exeter to continue to provide cover. And for completeness I should say that this Service cannot tell insurers what products it must offer – this is a matter for its commercial judgement. They are entitled to make a commercial decision to exit a particular market and that is not something we will interfere with.
- However I have looked very carefully at the circumstances here to ensure that in deciding to no longer cover policyholders outside the UK, Exeter has complied with its regulatory obligations. This doesn't mean that it is obliged to continue to offer cover on an annually renewable policy. I appreciate that Mrs S understood that the policy would continue, but Exeter made no promise that this would be the case. Nevertheless an insurer should give adequate notice of any discontinuance of cover so policyholders can make effective, timely and properly informed decisions about their next steps.
- Exeter gave 12 months' notice – which I think was fair and gave time for Mrs S to decide what she wanted to do going forward. It recommended that she contact a financial adviser to explore alternative arrangements, I find that was sensible advice and would enable her to take a properly informed decision. Additionally, Exeter waived six months premium from the renewal date. Again I think that this was both fair and reasonable.
- I do recognise how disappointing Exeter's plans to withdraw cover were for Mrs S. But Exeter didn't promise lifetime cover and I don't find it has acted in a way that is contrary to the policy terms or to regulation.
- I am sorry that my decision doesn't bring Mrs S welcome news. But I don't find that Exeter has treated her unfairly, unreasonably or differently to any other policyholder in her position. This being so I don't require Exeter to do anything more than it has already offered.

My final decision

For the reasons given above my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 16 December 2025.

Lindsey Woloski
Ombudsman