

The complaint

Miss B has complained that Reassured Ltd failed to inform her of an exclusion that was applied to her policy.

What happened

Miss B and Mr M bought an insurance policy with critical illness cover, sold by Reassured. At the point of application, Miss B declared that she had a family history of cancer. Reassured told Miss B and Mr M that their application had been accepted by the insurer.

Unfortunately, Miss B was diagnosed with cancer and made a claim. But the insurer declined the claim as it had applied an exclusion for breast cancer at the point of acceptance.

Miss B complained to Reassured and it accepted that it didn't tell her about the exclusion. It offered £500 and explained that all the insurers on its panel would have applied the exclusion to the critical illness cover in the same way. It also said if Miss B wanted to cancel her policy, it would refund the premiums paid in addition to the £500 compensation.

Miss B referred her complaint to the Financial Ombudsman Service. Our investigator looked into the complaint and agreed that Reassured should have told Miss B about the exclusion but didn't think Reassured needed to do anything further as there was no evidence that Miss B could have got cover for breast cancer with any other insurer.

Miss B asked for an Ombudsman's decision. And so the case has 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

Firstly, I'd like to say I am really sorry to hear of Miss B's diagnosis and the circumstances which led to this complaint.

The background to this matter is well known to both parties. And I have carefully considered everything Miss B has said even if I don't explicitly address every point in my decision. I won't repeat all the facts here again. Instead I will focus on what I consider to be the crux of the complaint and what is key to my conclusions.

Miss B and Mr M bought the policy through Reassured and the relevant rules and industry guidelines say it should have provided clear information to Miss B about the exclusion that would be applied to her critical illness cover as a result of a family history of cancer. Reassured didn't make the exclusion clear.

Reassured accepts that its adviser should have told Miss B about the exclusion. It offered £500 compensation for failing to highlight the exclusion to her at the point of sale. Miss B

says she would have looked elsewhere for cover for cancer if she was made aware of the exclusion. Reassured has said none of its panel insurers would have provided critical illness cover for breast cancer and they would have applied the same exclusion.

Miss B hasn't been able to provide any evidence that she would have been able to buy alternative insurance which would have covered her for breast cancer despite her family history. So I'm not satisfied that she would have been able to obtain alternative cover. And I also have to bear in mind that the insurer did send the policy documentation to Miss B with the exclusion on it. Additionally, Miss B and Mr M do still have cover for any other eligible claims so I can't say the policy was unsuitable or mis-sold.

Our investigator has provided information about our award bands for distress and inconvenience which can be found on our website. I think the £500 compensation already offered is fair and reasonable in all the circumstances of this case as the impact of the failure was significant upset and worry to Miss B and Mr M and they would have felt shock when they learnt of the exclusion at an already difficult and distressing time.

Reassured has also offered a refund of premiums if Miss B wishes to cancel her policy. This would mean Miss B (and Mr M) would be left with no cover under this policy for any other eligible conditions or claims that may be covered so she should carefully consider whether this is something she would like to do.

I appreciate Miss B will be disappointed with my decision but I can't fairly ask Reassured to do anything more. Miss B should contact Reassured directly to confirm whether she would like to accept the compensation and/or the refund of premiums.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B and Mr M to accept or reject my decision before 27 February 2026.

Shamaila Hussain
Ombudsman