

## **The complaint**

Mr and Mrs O complain about the premium charged by BUPA Insurance Limited ('Bupa') for their private medical insurance policy, and that Bupa has changed how it calculates premiums.

## **What happened**

Mr and Mrs O have held private medical insurance cover with Bupa for many years.

In May 2024, Mr and Mrs O wrote to Bupa about the increase to their premium that year. They noted that Bupa had changed the basis for calculating the premiums and introduced a no claims discount (NCD) which had brought down their premium. Their NCD for that year was 24%, and they asked if Bupa could fix it at this percentage. They didn't receive a response from Bupa.

Then in April 2025, Bupa sent Mr and Mrs O their renewal pack which showed a premium increase of over £2,800 per annum. Their NCD had reduced to 18%. Mr and Mrs O wrote to Bupa as they were concerned the changes Bupa had made to how it calculated premiums represented age bias.

Bupa explained the factors that had impacted the premium for the previous two years and also explained it had introduced a NCD to make pricing fairer. Bupa confirmed it wouldn't be able to keep Mr and Mrs O's NCD at 24% as it said this wouldn't be fair to its members that hadn't claimed.

Mr and Mrs O complained to Bupa. They thought it couldn't be fair for Bupa to increase their premiums so much.

Bupa issued its final response to the complaint on 27 June 2025. It said that because Mr and Mrs O had claimed in the previous year, their NCD had moved to level seven and reduced their discount to 18%. Bupa explained the other factors that had impacted the premium increase. Mr and Mrs O remained unhappy and brought a complaint to this service. They thought Bupa had discriminated against them because of their ages and they explained their choice to move insurers is now restricted because of their existing medical conditions.

Our investigator looked into things but didn't recommend the complaint be upheld. She explained we couldn't tell Bupa what premium it should charge, but we could look into whether Bupa had treated Mr and Mrs O fairly compared to others in the same position. She was satisfied that Bupa had shown how the premium had been charged, and she didn't think Mr and Mrs O had been treated unfairly as a result.

Mr and Mrs O didn't accept our investigator's findings and so the matter has been passed to me for a 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.

In considering this complaint, I've taken account of relevant law and regulations, regulators' rules, guidance and standards, codes of practice and what I consider to be good industry practice.

As our investigator has explained, we don't generally tell insurers how they should calculate risk or what premium they should charge to cover that risk. However, I can look at what factors an insurer has applied to calculate the premium and whether this has been done fairly. This is so that I can see whether Mr and Mrs O have been treated in the same way as any other Bupa customer in similar circumstances.

Bupa has provided us with information to show how the renewal price in 2025 was calculated for both Mr and Mrs O. I'm unable to share this information with them as it's commercially sensitive, but I'd like to reassure Mr and Mrs O that I've considered this evidence carefully. I'm satisfied this shows that other members of the same age with this policy would be charged the same base price (in other words, before any discounts are applied or Insurance Premium Tax added). Though as our investigator has explained, the base price isn't based solely on age but also factors in claims and cost experiences for each age group. Bupa then discounted the base price based on Mr and Mrs O's postcode and their NCD and then added on Insurance Premium Tax.

As Mr and Mrs O are aware, there was a drop in their NCD from 24% to 18% each in 2025. This was due to claims of over £23,000 being paid in the previous 12-month period. The policy explains that the NCD will reduce if claims are made during the previous policy year, and shows the scale that applies.

So, I'm satisfied Bupa treated Mr and Mrs O in the same way it would treat any other member who held this policy with the same circumstances as them. So, I can't conclude that Bupa treated them unfairly.

Mr and Mrs O have raised concerns about Bupa's decision to introduce a NCD under this policy in 2024. They think it's age discrimination for Bupa to ignore the impact of this on older members who have been insured for many years. They explain that if Bupa had introduced this change when they first took out cover, they would have benefited from lower premiums for many years. Instead, they say they paid full premiums for those years without an NCD.

I understand Mr and Mrs O think it's unfair for Bupa to now introduce a NCD because they think it's likely they'll need to claim each year. If that happens the NCD will continue to reduce until it reaches zero and then they won't be able to benefit from the discount.

It's not my role to say whether a business has acted lawfully or not, that's for the Courts to decide. My role is to decide what's fair and reasonable in all the circumstances of an individual complaint, taking into account various considerations, which includes relevant law.

Bupa's decision to introduce a NCD was a commercial decision that I'm satisfied it was entitled to make. Bupa has confirmed that this affected members of all ages, and so I'm satisfied that Mr and Mrs O weren't singled out or treated unfairly because of their ages. Though it seems from what Mr and Mrs O have said, that they think the introduction of the NCD disproportionately impacts older members, as they consider they are likely to claim year on year.

I can of course appreciate Mr and Mrs O's concerns about the NCD, given they think they'll need to claim each year. Though this would be the case for any member with this policy who needed to claim each year for medical conditions, regardless of their age. I haven't seen any persuasive evidence that members over a certain age are more likely to claim year on year and are therefore most likely to be impacted by the introduction of the NCD.

Overall, I'm satisfied that the policy conditions relating to the NCD and how this impacts the cost of the policy is a fair and proportionate way of managing the risk of a claim being made by individual members.

So, whilst I recognise my decision will disappoint Mr and Mrs O, I don't find that Bupa treated them unfairly and so I don't uphold this complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs O to accept or reject my decision before 20 January 2026.

Chantelle Hurn-Ryan  
**Ombudsman**