

The complaint

Mr C has complained that USAY BUSINESS LTD mis-sold him a private medical insurance policy.

What happened

Mr C's existing policy was due for renewal at the end of August 2023. However, having been unhappy with the service he'd received from that insurer, he contacted Usay, as a broker, to explore alternative options. It then sold him a new policy. However, when he later came to make a claim on the new policy, he was told that physiotherapy wasn't covered. As this would have been included under his old policy, he made a complaint that the new policy had been mis-sold.

In response to the complaint, Usay did accept that it hadn't sold him like-for-like cover, so it offered him £250 compensation. However, it more recently withdrew that offer, saying that the policy hadn't been mis-sold.

Our investigator didn't think Usay had acted fairly. So, he recommended that it should cover the £700 cost for the treatment that had been declined by the new insurer, in addition to paying £250 compensation for distress and inconvenience.

Usay disagrees with the investigator's opinion and so the complaint 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.

As this was an advised sale, Usay needed to ensure that the policy was suitable for Mr C's needs. Based on the available evidence, I don't think the policy was suitable for him.

Having listened to the sales calls, it's clear that Mr C wanted a policy that provided at least the same level of cover as his old policy. Under that policy, following diagnosis, a course of outpatient physiotherapy would have been covered. Under the new policy, physiotherapy of that type was not covered as standard, and he would have needed to purchase an additional 'therapies' module for that benefit to be included.

I'm satisfied that Usay understood Mr C's requirements. He was very clear that he didn't want the sort of policy that provided a set of benefits that he'd never use. But, whilst being dissatisfied with the customer service and claims processes of his existing insurer, he did however, want like-for-like cover. However, Usay didn't advise him to buy the additional module.

In the 'Personalised Recommendations' document sent to Mr C following the sale, it does mention that additional modules haven't been included. But, based on the earlier discussions, I'm not persuaded that he would have had any particular understanding of what

that meant. He was also sent the full policy terms afterwards and asked to read them. However, this information, being sent afterwards, wasn't sufficient to remedy any shortcomings that occurred during the sale. Mr C was entitled to rely on the information he was given over the phone by the sales adviser, to reach an informed decision about whether or not the policy was right for him.

Usay has chopped and changed its position in response to the complaint. Firstly, it didn't uphold it because it didn't appreciate that his complaint was about not being sold like-for-like cover. Then it did uphold it and accepted that it hadn't adequately compared the new policy to the old one and that, as a minimum, it should have discussed the therapies module as an option. Then, finally, it said that it wasn't upholding it because the new policy actually did offer like for like cover.

Our investigator then explained to Usay that the old policy had included outpatient physiotherapy and so had a higher level of benefit than the new policy. It didn't respond directly to this. Instead, it said that the policy hadn't been mis-sold because Mr C had never specifically asked for cover for physiotherapy during any discussions or enquired about any form of therapies cover. However, the point is that he was after a product that was comparable with his existing product, and that is not what he got.

I appreciate that Usay discussed with Mr C the possibility of reinstating the policy with the therapies module (because he had cancelled it and gone to a new provider). However, that was not a realistic option for him. Firstly, he'd had a bad experience with the new insurer and so was not willing to deal with them anymore. And secondly, he'd been told by the insurer that it wouldn't accept any amendment to the policy, so he wouldn't have had any confidence in Usay's offer.

Overall, I'm satisfied that the policy was mis-sold. Usay had discussed comparing any new policy with his existing policy. It needed to explain the policy terms to Mr C in a way that was clear, fair and not misleading and to highlight any significant terms. And it didn't highlight where the policy didn't match up with the benefits of his existing cover.

It follows that I uphold the complaint. The remaining matter at hand then is, what would be an appropriate remedy for the errors that occurred.

In this instance, I consider it would be reasonable for Usay to essentially step into the shoes of the insurer to cover the claim. Mr C has told us that the total cost of the required physiotherapy would be £700, which seems reasonable in the circumstances. Mr C has had to delay treatment and curb his lifestyle to some extent as a result.

The customer service provided by Usay was not up to the standard that Mr C had the right to expect. The sale became protracted due to no-one else picking up the reins after the first adviser he'd spoken to going off sick, requiring him to chase for completion. As mentioned, the complaint process has been far from smooth. Additionally, in spite of having a complaint about the policy being mis-sold, Usay's sales agents continued to contact him about re-instating the policy. On balance, I agree with our investigator that £250 would be fair and reasonable compensation for this element of the complaint.

My final decision

For the reasons set out above, I uphold the complaint and require USAY BUSINESS LTD to pay a total of £950 compensation to Mr C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or

reject my decision before 9 February 2026.

Carole Clark
Ombudsman