

The complaint

Mr and Mrs W are unhappy with the factors BUPA Insurance Limited considered whilst assessing the cost of their policy.

This complaint is brought by Mr W and so, for simplicity, I'll refer to all submissions as being made by him personally.

What happened

Mr and Mrs W have private medical insurance for themselves and their two children with BUPA. They've been a customer of BUPA since 1997 and haven't made a claim in that time. Mr W said he intended only to use the policy in the event of a catastrophe and that he, and his family, prefer to use the NHS for their primary healthcare.

Mr W said the cost of the policy keeps increasing despite him not having made a claim. He said he's unhappy with the way BUPA factor the risk profile for his policy as it considers other factors, such as, the likelihood of a claim from a group member and the region the group is based in. Mr W said because other consumers make claims on their respective policies, this ultimately increases the cost of his policy. He'd like only to pay a premium that's proportionate to his individual risk and not on other factors that are beyond his control.

BUPA said it considers factors like the performance of the group, the claims volumes, treatment costs and age to determine the policy's price. It said the cost of the policy is unlikely to reduce year on year, because as the age profile increases, Mr W presents a greater likelihood of claiming. It also said the increasing demand on its services, matched by the increasing cost of treatment, inflates the price of cover.

Our investigator didn't uphold this complaint. He said BUPA is entitled to decide the cost of its policies and this service isn't able to tell it what to charge its consumers, or what its key considerations should be to determine pricing. However, he said BUPA had treated Mr W fairly because it'd applied the same considerations to all consumers with the same type of policy. He also noted BUPA introduced a new no claims discount (NCD) incentive in 2024 and that this was applied to Mr W's 2024 and 2025 renewal.

Mr W, unhappy with this, asked for an ombudsman to consider his case. In summary, he said, the NCD doesn't go far enough to compensate him for years of paying inflated costs of cover as this only took effect from 2024. He'd like BUPA to effectively change the product so that it better suits his needs by placing other, like minded, consumers in the same group – those that only intend to use the policy in catastrophic circumstances. And so, it's now for me to reach a final 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.

The role of this service isn't to tell an insurer what it should charge, or to determine the price

for the insurance it offers. The level of premium charged, and the risk factors considered is a matter for the insurer's commercial judgement and so for BUPA to decide.

But I can look at whether I think Mr W has been treated fairly. So, I've considered whether Mr W has been treated differently or less favourably. Having done so, I've decided not to uphold this complaint and for broadly the same reasons reached by our investigator. I don't think BUPA treated Mr W unfairly because it's assessed him against the same risk factors as other consumers in similar circumstances. As all members were priced in the same way, I've not seen evidence of unfair treatment. I'll explain why.

Mr W's position is the insurer should effectively consider the propensity of his claims and group him with other consumers that only use the policy in severe circumstances. He said because BUPA doesn't offer that, he's effectively impacted by other consumers that use their policies more regularly – which ultimately pushes up the price of his cover. I understand the connection he's making here and the argument he's presenting but, given what I explained earlier, this would fall beyond the remit of the ombudsman service. I cannot tell BUPA how to operate or how it should design its products. That also extends to include the key factors upon which it considers like, age, regional location, the overall cost of insurance claims paid by the insurer and any claims paid for Mr W, as that's how BUPA determines risk.

But even if I could, I'm not persuaded Mr W's proposal would deliver his desired outcome. I say that because this would involve a much smaller group of consumers to share the risk. And should a catastrophe claim, like cancer cover or a serious heart-related issue be made, the cost of cover would most likely increase significantly for every consumer in the group. That's because there'd be significantly fewer consumers to share the cost burden of high-value claims.

I acknowledge Mr W's argument that he feels aggrieved at having to shoulder the increased cost of insurance because of the frequency of other consumer's claims. But that's the nature of private medical insurance and how BUPA offers insurance in a way that sustains its business model. In the same way Mr W has the autonomy to decide what and when to claim on his policy, BUPA has the same level of commercial integrity to determine the basis upon which it offers cover and at what price.

BUPA noted Mr W had been a customer for a long time and that he may benefit from consulting the wider insurance market to see if he can find cheaper cover elsewhere. I know Mr W's concern with that is he may lose peace of mind as some policies may only offer cover on a moratorium basis. But that's not the only option available as there are other policies that could offer more, although they can be expensive. BUPA said the cost of the policy is likely to continue to increase and I should say that's usually the case with private medical insurance. That's because the insurer is likely to consider they present a greater risk due to aging and so the price is likely to continue to increase to reflect that.

BUPA introduced a NCD incentive in 2024, which was applied to Mr W's policy at the July renewal the same year. I accept that, in Mr W's view, this doesn't go far enough to recognise his years of no claims history and that it's applied to an already inflated cost. Mr W would like BUPA to recognise he's been affected by several price increases over the years and look to retrospectively apply the discount over the whole period.

I've thought about this argument, but I'm not persuaded BUPA should do that. I say that because before 2024, there wasn't a no claims incentive available to Mr W and so I think it'd be unfair to direct BUPA to retrospectively apply an incentive that wasn't on offer to him at that point in time.

BUPA said it applied a 24% NCD to Mr W's policy in 2024, which was then increased to 27% at renewal in 2025, which is consistent with discount levels 9 and 10 as per the policy terms. Mr W hasn't made any arguments about the accuracy of that discount and so I make no finding on that point. The incentive was introduced in 2024 and so I don't think it'd be fair to effectively extend the period it was available to Mr W for the reasons I've explained.

I've also thought about the information provided at the last renewal and I saw BUPA, on 20 May 2025, wrote to Mr W explaining its offer for the year ahead. It also highlighted;

"It's normal for health insurance to get more expensive as you get older, even if you haven't claimed. Prices also usually increase due to rising healthcare costs and any recent claims you or others on your policy have made"

The policy terms also say;

"The cost of health insurance tends to go up due to your age and advances in medical technology, drug prices and new treatments. This means it's unlikely that the cost of your cover will go down, even if you have a no claims discount"

And so, I think BUPA was clear about the terms upon which it offered the policy and the cost. It gave Mr W all the relevant and necessary information before the policy renewed, which gave him time to consider whether to continue his cover with it. I therefore am satisfied BUPA has done what I'd expect of it and managed Mr W's expectations about costs and factors that affect that.

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 Mrs W and Mr W to accept or reject my decision before 11 February 2026.

Scott Slade
Ombudsman