

The complaint

Mr S has complained that BUPA Insurance Limited increased the cost of his private medical insurance (PMI) policy by a large amount at renewal.

What happened

Mr S's PMI covers himself and his wife. His renewal quote for 2025 was £2,956.44, which is an increase of £572.41 from the previous year.

In response to the complaint, Bupa maintained its position in relation to the cost. However, it accepted that there had been some poor customer service and so paid £100 compensation for the distress and inconvenience caused.

Our investigator didn't think Bupa had done anything wrong by increasing its premium price. Mr S disagrees 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.

Mr S's premium has gone up beyond his expectation and so it's not surprising that he's dissatisfied with the increase. He says he can't take out a new policy elsewhere as that would mean his family's pre-existing medical conditions would no longer be covered, so he feels that a deliberate trap has been set by Bupa.

Insurers are entitled to decide what risks they are willing to cover, and what they charge for the cost of that cover, as long as they exercise their judgement fairly and consistently and in accordance with their internal guidelines. This service wouldn't normally get involved with how they calculate risk or their premium pricing structures.

What I can look is whether Bupa has treated Mr S fairly and reasonably. An important consideration of that is whether it has singled him out for additional costs or whether it has applied its increases consistently across other policyholders in a similar position.

I've seen evidence that Mr S received one month free during the previous year. Taking that into account, the 2025 increase isn't as great as it first appears. So, rather than being the 24% Mr S has stated, it is actually about 13.67 % in real terms.

He says he hasn't seen such big increases from other insurers. But how other insurers calculate risk and set their prices isn't a relevant issue here. He also says that inflation and the retail price index were only around 5% and that health insurance premiums can only be increased in line with those measures. But there's nothing to prevent Bupa from pricing its policies as it wishes.

Mr S feels that there is age discrimination at play. However, age is a legitimate consideration when calculating risk. Bupa explained in its renewal invitation that it is normal for health insurance to become more expensive as someone gets older.

He thinks that Bupa should be willing to negotiate a price reduction, being empathetic to his financial situation and loyalty. However, it wouldn't be fair for Bupa to treat him more favourably than other policyholders with very similar circumstances.

BUPA has provided us with some underwriting information about how it has calculated the premium. As it's commercially sensitive, actuarial information, I'm afraid that I'm unable to share it with him. Having reviewed the calculations for the premium increases at renewal, I'm satisfied that they have been calculated fairly and in line with the terms and conditions of the policy.

I'm very sympathetic to Mr S's situation. He and his wife are on a fixed income and so the increase in premiums has had a real impact on their finances, and I appreciate what he's said about being tied to Bupa due to his family's pre-existing medical conditions. However, I'm unable to conclude that BUPA has done anything wrong in Mr S's case, as the increase has also been applied to other similar policyholders. It follows that I do not uphold the complaint.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 February 2026.

Carole Clark
Ombudsman