

## The complaint

Miss P complains that Millennium Insurance Company Limited ('Millennium') failed to collect the premiums for her private medical insurance policy.

All references to Millennium include the agents appointed to administer the policy on its behalf.

## What happened

Miss P held a private medical insurance policy, provided by Millennium.

The policy renewed in December 2024, when the premiums increased to £29.99 per month. There was an error with a premium payment and Millennium said it would apply a credit to cover the December 2024 premium, with Miss P resuming payments from January 2025.

In June 2025, Miss P contacted Millennium to query why she wasn't being charged the monthly premiums. Millennium said Miss P had made no payments since January 2025, so there were five payments due of £29.99 each. Millennium said Miss P could make up the arrears by making a one-off payment of £149.95 or increase her direct debits from £29.99 per month to £54.98 per month until the plan was due to end in December 2025.

Miss P said she couldn't afford this and raised a complaint, suggesting other options to Millennium for repaying the arrears. In response, Millennium said it had offered alternative payment methods to Miss P, but these had been rejected so it was voiding the policy.

Unhappy, Miss P brought the matter to the attention of our Service. One of our Investigators looked into what had happened and upheld the complaint in part. Millennium accepted our Investigator's opinion, but Miss P didn't so the complaint was referred to me to make a decision as the final stage in our process. I made my provisional decision about the complaint earlier this month. In it, I said:

*'Industry rules set out by the regulator say firms must act honestly, fairly and professionally in accordance with the best interests of its customers. Consumer Duty principles say firms must avoid causing foreseeable harm, and enable and support customers to pursue their financial objectives. I've taken these rules and principles, alongside other relevant considerations, into account when making this provisional decision.'*

*There's no suggestion that the error with the payments from January 2025 to June 2025 was due to any fault of Miss P's. She says she gave Millennium her correct bank details and there was sufficient money in her account to pay the premiums. I've been provided with no explanation from Millennium about why this situation arose, and I can't see that Miss P was provided with any such explanation either.'*

*I'd expect a policyholder to reasonably cooperate with an insurer to resolve a situation like this – even if the error wasn't made by the policyholder. And, as Millennium as quoted, the policy terms and conditions allow it to cancel the contract if premiums aren't paid. But I'd expect Millennium to act reasonably when taking any such action, and I don't think it did.'*

*Miss P very clearly told Millennium the options it presented to her for paying the arrears weren't affordable for her. It appears from correspondence which Millennium has provided to our Service that a telephone call with Miss P subsequently took place during which Millennium said it offered options to Miss P to bring her premium payments up to date while taking account of her personal circumstances, but I haven't been provided with any further details of what was discussed during this call or of the options which Millennium says were offered to Miss P.*

*Millennium's written response to Miss P was to void her policy. Based on the information available to me, I don't think this was fair, reasonable or proportionate in the circumstances and I've seen no evidence that Millennium took Miss P's individual situation into account, as I'd have expected it to.*

*Our Investigator said it would be fair and reasonable in the circumstances for Millennium to arrange a repayment plan for Miss P to pay back the premium arrears. I don't agree.*

*Millennium, in voiding the policy, is treating the policy as never having existed and Millennium never said it intended to seek to recover any arrears from Miss P.*

*In any event, while I accept Miss P had the benefit of cover under the policy during the period it was in force and Millennium would ordinarily be entitled to the benefit of the premiums for covering that risk, I note that Miss P's medical appointments were cancelled in April 2025 and June 2025. Miss P has understandably questioned why Millennium pre-authorised these appointments if her premiums weren't up-to-date.*

*Based on the evidence I've seen, I think the decision to cancel the April 2025 appointment was Miss P's and was unrelated to this situation. However, I'm satisfied that the June 2025 appointment was cancelled as a result of Millennium's failure to collect Miss P's premiums, and this caused Miss P distress as well as inconvenience with work and childcare commitments.*

*Based on the specific circumstances of this individual case, including the fact that this policy is no longer offered and taking into account the overall impact of the situation on Miss P, I'm currently satisfied that the fair and reasonable outcome in this case is for Millennium to write-off the premiums which relate to the 2024/2025 policy and not seek to reclaim these from Miss P. I also think Millennium should pay Miss P £100 compensation as an additional reflection of the distress and inconvenience she experienced.'*

Millennium accepted my provisional decision, but Miss P didn't. She said she lost out on more than £100 as a result of Millennium's actions.

### **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.

Based on the evidence available to me, I'm satisfied that the outcome I reached in my provisional decision is fair and reasonable in the circumstances, and I won't be changing it.

### **Putting things right**

Millennium Insurance Company Limited needs to put things right and do the following:

- write-off the premiums which relate to the 2024/2025 policy:

- pay Miss P £100 compensation for the distress and inconvenience she experienced.

Millennium Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Miss P accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple<sup>1</sup>.

### **My final decision**

I'm upholding Miss P's complaint about Millennium Insurance Company Limited, and I direct it to put things right in the way I've outlined above.

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

Leah Nagle  
**Ombudsman**

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<sup>1</sup> If Millennium Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss P how much it has taken off. It should also give Miss P a tax deduction certificate if she asks for one so she can reclaim the tax from HM Revenue & Customs if appropriate.