

## The complaint

Mr N complains about the decision by BUPA Insurance Limited ('BUPA') to apply a chronic condition exclusion under his employer's group private medical insurance policy.

## What happened

Mr N is a member of his employer's group private medical insurance scheme, which is provided by BUPA.

In April 2025, Mr N made a claim to BUPA after undergoing removal of a patch from his finger for testing, which resulted in a diagnosis of lichen simplex chronicus ('LSC').

BUPA declined the claim on the basis that LSC was a chronic condition and was excluded by the policy terms. Mr N did not believe BUPA's decision was fair and lodged a complaint.

BUPA rejected the complaint. It maintained its decision was fair because the policy expressly excluded treatment or flare-ups of chronic conditions. So, Mr N referred his complaint to the Financial Ombudsman Service.

I issued a provisional decision to the parties on 12 February 2026. In that provisional decision, I gave the following findings, set out below in italics.

*Having reviewed the evidence carefully, my provisional assessment is that I do not believe BUPA needs to do anything further to resolve the complaint. I realise that will be disappointing for Mr N, but I'll explain my reasons for reaching this view below.*

*The relevant regulatory rules and industry guidance say that BUPA has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably.*

*So, I've considered Mr N's employer's group scheme terms and conditions against the circumstances of his claim. Mr N's employer's group scheme does not provide benefit for outpatient treatment involving monitoring or management of chronic conditions or any flare-ups of a chronic condition. A chronic condition is defined in the terms and conditions as:*

*"A disease, illness or injury which has at least one of the following characteristics:*

- It needs ongoing or long-term monitoring through consultations, examinations, check-ups or tests.*
- It needs ongoing or long-term control or relief of symptoms.*
- It needs rehabilitation or for you to be specially trained to cope with it.*
- It continues indefinitely.*
- It doesn't have a known cure.*
- It comes back or is likely to come back."*

*I was sorry to learn of the circumstances Mr N has outlined and his diagnosis. However, I find BUPA to have fairly excluded benefit for Mr N's condition under the exclusion outlined above.*

*My understanding of LSC is that it is a chronic and persistent skin condition which is often prone to recurrence. It follows that I don't think BUPA has acted unreasonably in determining that at least one of the characteristics set out in the relevant exclusion applied to Mr N's claim. On that basis, it was acting fairly in declining to cover his treatment costs since these were incurred in relation to the management of a chronic condition, not an acute one.*

*I realise that the policy terms do not include an express exclusion for LSC. However, there isn't a requirement for BUPA to cover every conceivable condition that a member of the scheme may suffer from. On general grounds, most private healthcare providers exclude chronic conditions. And BUPA has told Mr N that if its policies included cover for listed chronic conditions, the cost of private healthcare would be prohibitive. I find its explanation to be fair and reasonable.*

*I am sorry to disappoint Mr N, but on the information I've seen to date there does not appear to be any basis on which I could reasonably require BUPA to pay his claim. I am of the view that BUPA has objectively applied the policy wording to Mr N's circumstances, and I don't find it fair or reasonable to ask it to meet a claim outside of the terms and conditions.*

BUPA confirmed it had nothing further to add. Mr N disagreed with my provisional findings. He said his claim should be covered because the symptoms he is suffering from (primarily itching) were an acute flare-up reaction to a particular episode of stress. His doctor had confirmed that the injection would resolve the symptoms entirely, so this cannot fit the chronic definition in his policy wording.

### **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.

I thank both parties for replying promptly to my provisional findings. Despite my sympathy for Mr N's particular circumstances, I remain of the view that I have not seen any objective basis upon which I could require BUPA to pay his claim.

I recognise that Mr N's position is that his particular instance of LSC feels acute, given it is a standalone event that his doctor believes will be resolved with treatment. However, as I set out above, Mr N's employer's group scheme does not provide benefit for outpatient treatment involving monitoring or management of chronic conditions or any *flare-ups of a chronic condition*. And though Mr N believes his condition is not chronic, I also note he says he has had the condition for a number of years.

The policy wording I have set out above (Section 6: Chronic Conditions) goes on to explain the position with flare-ups further. It says:

*"Your policy doesn't cover treatment for expected flare-ups of a chronic condition. This is because the treatment is part of the ongoing management of the condition. For example, conditions where symptoms come and go, such as inflammatory bowel disease. There may be times when symptoms are severe (a flare-up), followed by long periods when there are few or no symptoms (remission). These are called 'relapsing and remitting conditions' and aren't covered because the flare-ups are an expected part of the condition."*

I am satisfied that in these circumstances, BUPA was reasonable to consider that Mr N's episode of LSC amounted to a recurrence of a longstanding condition, noting he has

described it using his own words as a flare-up. And I believe BUPA has fairly concluded that LSC is a chronic condition. It follows that I cannot order BUPA to pay the claim, as I find it has fairly applied an exclusion in accordance with the terms and conditions of Mr N's group private medical insurance scheme.

### **My final decision**

I do not uphold this complaint or make any award.

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

Jo Storey  
**Ombudsman**