

complaint

Ms W complains that BUPA Insurance Limited failed to apply a discount to her private medical insurance policy.

background

In 2009, Ms W qualified to be a doctor. She says she told BUPA after she qualified, as she was aware that she'd be entitled to a premium discount under its doctor's scheme. Ms W thought the discount had been applied to her policy since that date. But in 2017, she discovered that hadn't been the case.

BUPA said it hadn't received Ms W's medical registration, so it wouldn't have been able to apply the discount without this. It said it was no longer allowing new entrants into that particular doctor's scheme, however it did operate a different doctor's scheme which gave a 20% discount on premiums. But before Ms W could be added to that scheme, it would need to carry out a review of her medical history and exclusions may be added. Unhappy with this, Ms W bought a complaint to this service.

Our investigator recommended the complaint be upheld. He thought it was likely Ms W had sent BUPA evidence of her medical registration, and so he thought BUPA should refund the overpayment Ms W had made since March 2010 to date. He said if it wasn't possible to add Ms W to the previous doctor's scheme, it should add her to its new scheme, but without carrying out a medical review.

BUPA didn't accept our investigator's findings, so the matter's been passed to me to consider.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

BUPA's doctor's scheme closed to new entrants on 1 August 2010. It's not in dispute that Ms W qualified as a doctor in 2009, and therefore was entitled to a premium discount under BUPA's doctor's scheme so long as she told BUPA about this before 1 August 2010.

Ms W says she was always aware of BUPA's doctor's scheme because her mother is in that scheme and receives a premium discount from BUPA. She says that she called BUPA sometime after qualifying as a doctor to let it know this, and at the same time, she made some changes to her policy to reduce the premium, thereby making it more affordable for her as a junior doctor at the time. She says BUPA asked her to send in proof of her General Medical Council (GMC) registration so it could apply the doctor's scheme discount, which she did. When she then received her policy documents, she saw that her premium had significantly reduced, and so assumed that the relevant discount had been applied.

BUPA says it didn't receive Ms W's GMC registration, therefore it didn't apply the relevant discount.

BUPA has a record of Ms W contacting it in March 2010 and her cover was reduced at the time. It doesn't have a recording of that call. But given that Ms W was aware that BUPA operated a premium discount for doctors, it seems likely that she informed BUPA that she'd

qualified as a doctor at the time. Of course, I have no way of establishing now that Ms W sent BUPA her GMC registration. But Ms W says she was told by BUPA that she needed to do so, and maintains that she did send this to BUPA at the time. I find Ms W's recollections to be quite persuasive, so on balance, I think it's likely that she did do this.

Unfortunately Ms W didn't realise that BUPA hadn't applied the relevant discount. But given that her monthly premium reduced significantly at this time (from around £106 to £50) as a result of her change in cover, she didn't know that the discount hadn't been applied from the information she received from BUPA. Ms W only became aware of this in 2017, when she contacted BUPA to increase her level of cover.

BUPA confirms Ms W would have been entitled to a 17.5% discount on her premiums if she'd been in its doctor's scheme. I think it would therefore be appropriate for BUPA to refund this percentage of Ms W's premiums since March 2010. Ideally, BUPA should place Ms W into the previous doctor's scheme so she will also receive the 17.5% premium discount going forwards.

However, BUPA says entry to that doctor's scheme has been closed since 1 August 2010. I therefore agree with the investigator that if BUPA isn't able to place Ms W into this scheme, it should instead allow her entry to the new doctor's scheme it operates (even though this would give her a slightly higher discount). I don't think it would be fair for BUPA to carry out a review of Ms W's medical history.

my final decision

My final decision is that I uphold this complaint. I require BUPA Insurance Limited to refund 17.5% of Ms W's premiums since March 2010. Interest should be added at the rate of 8% simple per annum from the date each premium was paid to the date of settlement.

BUPA should arrange for Ms W to go into the previous doctor's scheme so that she receives the 17.5% discount going forwards. Alternatively, it should allow her entry to the new doctor's scheme that gives a 20% discount, without carrying out a review of Ms W's medical history.

If BUPA considers that it's required by HM Revenue & Customs to take off income tax from the interest, it should tell Ms W how much it's taken off. It should also give Ms W a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 5 March 2018.

Chantelle Hurn-Ryan
ombudsman