

## **complaint**

Miss A has complained about the premium increase applied to her private medical insurance policy by Simplyhealth Access ("Simplyhealth") and its advice to switch products in 2008.

## **background**

Miss A held a policy ("policy R") with Simplyhealth. Miss A explains that in August 2008, Simplyhealth advised her to switch from policy R to a different policy ("policy W") so as to avoid the high premium increases that were being applied to members of policy R at that time. Miss A therefore switched policies and policy W started with effect from 1 September 2008.

In 2011, Miss A received her policy renewal documents and was unhappy with the significant increase being applied to her premium for that year. She had previously paid £164.01 per month for her cover, and this was to be increased to £284.83 per month. Miss A complained to Simplyhealth about the increase being applied. She also questioned the advice she was given to switch products in 2008, and said she was led to believe she would avoid such significant increases to her premium if she switched to policy W.

Simplyhealth explained that Miss A's premium had significantly increased because she had entered a new age band (55-59). It advised that the premium had also increased to reflect the claims experience of members within the age band and medical inflation. Simplyhealth explained that members within the 55-59 age band had experienced an increase of 27% that year and as a gesture of goodwill, it would refund 27% of Miss A's premium for 2011. However, it advised that premium increases would apply thereafter. Simplyhealth was unable to trace the telephone call in which Miss A was advised to switch products in 2008, but considered that she had saved money by taking its advice.

Miss A remained unhappy. She felt that Simplyhealth ought to have been able to trace the call in August 2008 and so she referred her complaint to this service.

Our adjudicator did not recommend that the complaint should be upheld. She considered that Simplyhealth was entitled to set premiums in accordance with its commercial judgment, which was not open to question by this service. Although Simplyhealth had been unable to trace the call in which Miss A says she was advised to switch products, the adjudicator did not consider that Miss A had been prejudiced by the advice to switch products.

Miss A appealed so the matter has been passed to me to consider afresh.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As the adjudicator has explained, the setting of premiums is generally a matter of an insurer's commercial judgement. This service will not interfere with that judgment if we consider it has been exercised legitimately. Whilst I do understand Miss A's concerns with Simplyhealth's decision to increase her premiums from 2011, the policy is an annually renewable contract and this does allow Simplyhealth to alter the premium amount when the policy is renewed.

Simplyhealth and the adjudicator have already explained the factors which led to the increase to Miss A's premiums, therefore I will not repeat these here. As there is no evidence to suggest that Simplyhealth's decision to increase Miss A's premiums was not legitimate, I am unable to conclude that its decision was unreasonable.

Miss A has also complained about the advice she received from Simplyhealth to switch products, and says she understood that policy W would not be subject to age-related premium increases.

As Simplyhealth has been unable to trace the call from 2008, I am unable to establish exactly what Miss A was told. However Simplyhealth has provided evidence that if Miss A had remained on policy R, her monthly premium in 2011 would have been between £293.62 and £451.73 (depending on the level of excess chosen). Even if Miss A had the highest excess available under policy R and her monthly premium in 2011 would have been £293.62, I am satisfied Miss A still saved money by switching to policy W. I further note that policy W offered a greater level of cover than policy R.

Accordingly, whilst I have been unable to establish if Miss A was told that policy W would not be subject to age-related price increases, I am satisfied that she was not financially disadvantaged by Simplyhealth's advice to switch products in 2008.

I note that Simplyhealth refunded part of Miss A's 2011 premium as a gesture of goodwill in recognition of its failure to trace the 2008 call. I consider that this was reasonable in the circumstances.

#### **my final decision**

For the reasons set out above, my final decision is that I do not uphold this complaint. I make no award against Simplyhealth Access.

Chantelle Hurn  
**ombudsman**