

The complaint

Miss S complained about BUPA Insurance Limited's settlement of her private medical insurance claim and about how it handled her claim.

What happened

On 14 October 2020 Miss S contacted BUPA to make a claim as she needed a MRI scan. BUPA confirmed she would be covered for an initial consultation with a doctor, a MRI scan and the follow up consultation. It sent Miss S the names of consultants she could see as part of her plan. Miss S went to one of the named consultants and invoices for £147 and £96 were sent to BUPA to pay.

On 25 October 2020 BUPA wrote to Miss S declining her claim for £147 because she 'did not seek an appropriate referral'. She called BUPA to discuss and it accepted it had made an error and paid that claim.

On 8 November 2020 BUPA wrote to Miss S saying her claim for £96 wasn't covered under her policy. Miss S complained to BUPA in November 2020 and in December 2020 by email and received automated acknowledgments from BUPA's customer relations teams.

Miss S heard nothing further from BUPA so complained to us. She wanted BUPA to pay the outstanding £96 claim, apologise for its poor service and pay her compensation for distress and inconvenience. Miss S said she was getting constant letters from the hospital asking for payment which she found embarrassing and stressful, she'd already had a very worrying time with her health and the distress caused by BUPA declining her claim twice when it had told it would pay, then not responding to her complaints, really added to her worry.

After Miss S complained to us BUPA sent its final response letter. It said it hadn't received Miss S' initial complaint in November 2020 so she may have used an email address which was no longer in use. It had sent a complaint holding letter to her December complaint but due to its system error the letter was sent to her old address. BUPA confirmed it would pay the outstanding bill for £96, apologised for the delay and said an administrative issue meant it was unable to settle the bill sooner.

The outstanding claim was settled three months after BUPA received the invoice. Miss S still wanted us to consider whether BUPA should pay her compensation.

Our investigator recommended BUPA pay Miss S £100 compensation for distress and inconvenience caused by its poor service.

Miss S accepted our investigator's recommendation. BUPA didn't agree and wanted an ombudsman's decision. It said its administration errors were minor, it had paid the claims and apologised to Miss S. It also said the hospital shouldn't have chased Miss S for payment if she'd paid the excess.

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.

BUPA has now paid the invoices Miss S claimed so the issue I have to decide is whether BUPA gave reasonable service. BUPA accepts it made various errors when dealing with Miss S' claim. I think it gave Miss S unreasonable service and it should pay her £100 compensation for distress and inconvenience. I'll explain why.

Miss S contacted BUPA specifically to check if she would be covered by the policy for her treatment needs and BUPA told her she was covered. She followed the instructions BUPA gave about choosing a consultant from the list it sent her. Understandably Miss S was shocked and upset, at an already worrying time for her, when BUPA then told her all the costs she'd claimed weren't covered.

Miss S had contacted BUPA about the decline of the first invoice and that was paid when BUPA corrected its error. Miss S had no reason to believe there would be any further problems until she received a letter stating her second invoice had also been declined.

BUPA says the problem with the second invoice arose as Miss S' employers were late to renew the policy. But BUPA accepts it didn't have anything in place to get the claim paid once the policy renewed, and I don't think that's reasonable service.

Miss S says she had paid the excess to the hospital and it was chasing her for the claim amount. Whether or not the hospital should have chased Miss S for the payment, I don't think the hospital would have done so if BUPA hadn't made the errors and it had paid the pre-authorised claim as it should have done.

Miss S complained twice to BUPA but received no substantive response to either. BUPA said it didn't receive her first emailed complaint so that may have gone to an unused email address. But I've seen evidence that Miss S received an automated acknowledgement of that complaint from BUPA's customer relations department and BUPA did respond to her second complaint which was sent to the same email address. That response letter was before Miss S complained to us but sent to her old address. BUPA's contact notes of its call with Miss S in October 2020 show she told it her new address and BUPA accepts the letter was sent to the old address by mistake. As Miss S hadn't received any response she complained to us. I think these further BUPA systems failures also caused Miss S unnecessary stress and inconvenience.

Overall I find that BUPA's series of unnecessary errors had a cumulative effect on Miss S causing her additional stress and inconvenience at an already difficult time for her.

Putting things right

In these circumstances I think £100 compensation is a reasonable amount for BUPA to pay to Miss S to reflect her distress and inconvenience due to its poor service.

My final decision

I uphold this complaint and require BUPA Insurance Limited to pay Miss S £100 compensation for her distress and inconvenience due to its poor service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 8 June 2022.

Nicola Sisk

Ombudsman