

The complaint

Mr A complains about Unum Ltd's handling of his dental insurance claims.

What happened

I issued a provisional decision on 17 February 2022. Here's what my findings said:

"Mr A claimed £1,272 for dental treatment. Unum responded to say he'd claimed £1,113, and that his claim had been approved.

I think this correspondence was confusing. The figure Unum referred to as being the amount claimed wasn't correct. I also would've expected Unum to have explained why it wasn't paying the full £1,272 that Mr A had claimed.

When Mr A queried this with Unum, it said that it would only cover three implant crowns rather than four. It said the reason for that was because it doesn't "reimburse individually when two are next to each other".

I also think this correspondence was confusing, particularly as Unum doesn't say why it wouldn't reimburse two implants next to each other.

The benefit schedule explains that Unum won't pay for more than one implant if a bridge could be fitted as an alternative. I think Unum should have made this clear to Mr A from the outset.

When Mr A still didn't accept Unum's decision on his claim, Unum explained the above term, and said it would contact Mr A's dentist to see if Mr A could've had a bridge as an alternative to the implants.

I would've expected Unum to have done this in the first place, instead of assuming that Mr A could've had a bridge simply because he was claiming for two implants next to each other.

Mr A's dentist then confirmed that a bridge couldn't have been fitted as an alternative to the two implants next to each other, and so Unum paid the outstanding £159.

Mr A later claimed £400 for treatment. Unum responded to say that the claim had been approved, but it would only be reimbursing £100. However, again, Unum didn't say why it wasn't paying the full amount. Unum also said that £380 of the claim was for anaesthetic.

Mr A responded to Unum and pointed out that he was claiming for implants not anaesthetic. He wanted to know why Unum had underpaid the claim by £300.

Unum had only paid £100 because it thought the implant that Mr A was claiming for had already been paid, however Unum accepted that it had made a mistake. It then paid Mr A the outstanding £300 a few weeks later.

I can't tell Unum what its processes should be, but it seems to me that much of this confusion could've been avoided if Unum had made it clear to Mr A at the outset why it wasn't paying his claims in full. The issues could've then been addressed.

Although Unum has now settled the claims in line with the policy terms, I think it handled the claims badly. I intend to require Unum to pay Mr A £200 compensation to recognise that its handling of the claims caused him unnecessary confusion and upset.

Our investigator asked Unum to pay interest on the late claim payment of £159, as this wasn't paid until 5 March 2021 even though Unum accepted in January 2021 that it was payable. Unum agreed to this, which I think was reasonable."

I asked both parties for any further comments they wished to make before I made my final decision.

Mr A responded to say he accepted my provisional decision.

Unum responded to confirm it had no comments to make.

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.

However, as neither party has made any further comments, I'm satisfied my provisional findings should remain, and for the same reasons.

My final decision

My final decision is that I uphold this complaint. I require Unum Ltd to pay Mr A £200 compensation.

I further require Unum to pay interest at 8% simple per annum on the late payment of £159 from the date the rest of that claim was paid to 5 March 2021.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 31 March 2022.

Chantelle Hurn-Ryan
Ombudsman