DRN-3481784

The complaint

Ms D and X have complained that Vitality Health Limited ('Vitality') failed to pay for treatment X needed.

What happened

Ms D and X have private medical insurance, underwritten by Vitality.

In March 2021, X was referred to a consultant by his GP for a consultation and tests. Ms D called Vitality and it provided authorisation.

Following these tests, the consultant recommended that X should be monitored as an inpatient and so he went to a private hospital for further tests and monitoring. The next day, Ms D called Vitality and explained that X had been admitted into hospital. Vitality treated this as an emergency admission and said it was excluded under the policy terms.

Ms D and X complained but Vitality maintained its position.

Unhappy, Ms D and X referred their complaint to this Service.

Our investigator looked into the complaint. He didn't think Vitality acted unfairly by treating X's admission as an emergency but did think Vitality should pay £250 compensation as it hadn't corrected any misunderstanding about what it would pay.

Vitality disagreed and said it thought an apology was sufficient as its mistake hadn't caused a financial impact and it had acted within the policy terms.

Ms D and X disagreed and in summary, they have made the following comments:

- Vitality's customer service was very poor.
- Vitality failed to provide clear and accurate information on 24 March 2021 when it should have told them that X's admission wasn't covered at all. Instead, it asked for a letter from the consultant and didn't seem to know its own policy terms and conditions.
- Vitality agreed to pay for the treatment on 26 March 2021 but then failed to do so, and didn't explain this to Ms D and X.

And so the case has been passed to me for a decision.

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.

Having done so, I agree that Vitality could have been clearer about non-payment of any costs following X's admission. But I don't think it unfairly treated X's admission as an

emergency.

I should also say that whilst I won't comment on everything they have said, I have carefully considered Ms D's and X's detailed comments. And I will focus on what I consider to be key to my decision.

The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly and shouldn't unreasonably reject a claim.

The policy terms exclude emergency treatment which includes:

> *"…any admission to hospital that was scheduled less than 24 hours in advance…"*

As X's admission to hospital was immediate, any treatment following this, including the costs of the stay, are excluded.

Ms D is unhappy as on 26 March 2021, Vitality told her it would cover the costs of diagnostics and treatments but not the cost of the stay. She had also been told to get a letter from the consultant to confirm the admission wasn't an emergency and she had done this but Vitality still refused to pay for any part of the admission or tests which were required after X was admitted.

X was admitted on 23 March 2021. Vitality had authorised tests and authorisations on an outpatient basis earlier on that day.

Ms D called Vitality on 24 March 2021 and explained that the consultant had advised X to be admitted into hospital. The adviser confirmed emergency admissions wouldn't be covered.

Ms D said the consultant had advised X needed to be observed and it wasn't an emergency such as a car crash - so it should be covered. The adviser again confirmed an emergency admission wouldn't be covered.

Ms D explained the consultant suggested it was better for X to be under observation rather than being at home. She said this was the first opportunity she had had to call, X needed another MRI and was also definitely going to be staying in hospital for another night.

The adviser said Vitality would need a letter from the consultant to confirm X needed to be admitted and that he'd had these conversations with X and Ms D. Ms D said she would get confirmation from the consultant to confirm that he'd recommended X needed to be admitted and to confirm this wasn't an emergency admission. I don't think the adviser's suggestion was unreasonable based on what Ms D told him.

Ms D called again a number of times on 26 March 2021 and said she had sent the letter in but hadn't heard back. She was told that the letter had been received but as it was dated the same day as the admission, this would still be classed as an emergency and therefore not covered. Ms D asked whether the diagnostics and consultations would be covered to which the adviser responded yes.

However, none of the treatment following X's admission was covered and it was only the agreed treatment before X's admission which had been authorised. Vitality didn't pay for any of the treatment following the admission which is what Ms D and X are unhappy about. They think Vitality should cover the costs as agreed in the call of 26 March 2021.

Having considered all of the above, I agree that Vitality could have been clearer, and could have confirmed on 26 March 2021 that no costs following X's admission would be covered.

This caused unnecessary confusion and Ms D called a number of times in which she explained she had to hold for at least 20-40 minutes each time, at a time when she was already stressed with X's admission. Had Vitality clearly confirmed that no costs following the emergency admission were covered, Ms D wouldn't have had to call back so many times. And as Vitality didn't clear this confusion up immediately, it clearly caused frustration to both Ms D and X for which I think £250 compensation is appropriate.

I don't think Vitality should pay the diagnostics as I don't think its mistake had any impact on the costs which had already been incurred. By the time Vitality mistakenly confirmed all costs for diagnostics and consultations would be paid, those costs had already been incurred. So even if Vitality had correctly told Ms D and X that no costs would be covered, they would have been in the same financial position.

I appreciate Ms D and X will be disappointed with my decision. But I don't think I can fairly ask Vitality to pay any costs following X's admission for the reasons set out above.

My final decision

For the reasons set out above I direct Vitality Health Limited to pay Ms D and X a total of £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask X and Ms D to accept or reject my decision before 29 September 2022.

Shamaila Hussain
Ombudsman