

## **The complaint**

Mrs B is unhappy with how Vitality Health Limited dealt with a claim made under her private medical insurance policy.

## **What happened**

Mrs B has explained that she needed to have a medical procedure, to investigate problems she was having with a hiatus hernia.

The medical procedure was to go ahead on 4 February 2022. Mrs B has said that the day before this was due to go ahead, she received a call from the medical facility that would be carrying out the investigation. It told her that Vitality hadn't provided it with an authorisation code for the procedure – which was needed to ensure the cost of it was covered by the insurance policy.

Mrs B has explained this caused concern to her. She had already undertaken preparation needed for the procedure. And she was concerned about her health. So, she decided to go ahead with the investigation anyway – paying for it out of her savings. Mrs B would then claim for the cost of it back from Vitality, so the progression of her procedure wasn't delayed. Mrs B paid £1,792 – using her savings to do so.

Following this, Mrs B said Vitality told her the problem had been with her GP. It hadn't provided the correct information, for Vitality to authorise the procedure. The information the GP had submitted made no mention of a hiatus hernia at all. So, Mrs B contacted her GP, and asked it to resubmit the necessary forms to Vitality, with the correct information. Which it did.

Mrs B has explained that following this she experienced delays from Vitality. Mrs B said she submitted her invoice to Vitality. It paid for some consultation fees. But didn't reimburse her the £1,792 for the procedure. Mrs B said she kept having to chase reimbursement of this – causing her distress and inconvenience, until she finally received a cheque for the procedure, on 2 June 2022.

Mrs B was unhappy with this delay. Prior to receiving the above payment for £1,792, she raised a complaint with Vitality about the time it was taking to provide her with a reimbursement.

Vitality provided its final response on the matter in August 2022. It acknowledged there had been some avoidable delays in reimbursing Mrs B. It offered her a total of £75 compensation in relation to this. With £23.17 of this being to recognise that Mrs B would have lost out on interest, when using her savings to pay for the procedure.

Mrs B didn't feel the above offer was a fair and reasonable offer, on reflection of the experience she'd had. She highlighted the delay in obtaining the reimbursement she was due, as well as the time she had to take in phoning and emailing Vitality, chasing the matter.

Our investigator considered this complaint and felt the £75 offered to Mrs B was fair. They agreed there had been delays in Mrs B receiving the £1,792 back from Vitality. Our investigator said some of this delay was unavoidable. Such as the delay from Mrs B's GP. And they said there was some time reasonably taken to assess the claim. But our investigator agreed there were times when the claim could have been moved forward by Vitality – and wasn't. But our investigator felt the £75 offered was reasonable compensation to recognise the distress and inconvenience Mrs B had experienced, and any interest she may have missed out on, from her savings.

Mrs B didn't agree. She provided a letter from a friend who was representing her with Vitality, explaining the situation and the impact on Mrs B. And she reiterated her concerns around the time Vitality took to deal with things.

Because Mrs B didn't agree, this complaint has been referred to me to decide.

### **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've decided the £75 offered to Mrs B is fair and reasonable in the circumstances. So, I require Vitality to pay Mrs B that.

I appreciate Mrs B is likely to be disappointed with this. It's clear she feels strongly about the matter. I'd like to reassure her, and Vitality, that I did consider everything provided to me, when coming to my decision. But, when explaining my decision, I've only commented on what I consider necessary to explain my reasoning. Which is detailed below.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether Vitality acted in line with these requirements, in the time to take to provide Mrs B with the settlement of £1,792.

Having considered this, I do think there were times when Vitality could have progressed Mrs B's claim more efficiently or dealt with the situation at hand better. For example, I can see that Mrs B provided information to Vitality in early March 2022. And then on 24 March 2022, Vitality received the information it needed from Mrs B's GP, to move the matter forward. However, no further action was taken to authorise the claim, until this was done on 4 August 2022. Vitality has noted that authorising a claim such as this, should usually take between three and five days. Which doesn't seem unreasonable, given the need to review documentation and the policy terms. But it took Vitality double this time, in Mrs B's case. So, it's clear things could have been moved more efficiently here.

Following the claim being authorised, I can see there was also a delay in processing Mrs B's invoice for the £1,792. And Vitality has accepted this too. It has said the invoice was sent to one of its representatives, who then didn't take the next step to process this. Looking at the claim notes Vitality hold, I can see this also was the case.

Vitality has accepted the above delays. And it has now offered £75 compensation to Mrs B, for the trouble and upset this delay caused to her. So, I've needed to consider whether this offer is fair and reasonable. And, having thought about this, I'm satisfied it is.

It's important to note that this service's role isn't to punish a business. So, when thinking about compensation, I instead needed to consider the impact the situation had on Mrs B. And whether the offer made to her is a fair figure to recognise this impact.

Mrs B had decided to pay for the procedure up-front, because of delays her doctor caused in moving the matter forward. Vitality isn't accountable for that. And Mrs B took the funds out of savings. So, I'm satisfied that financially, her day to day comfort wasn't impacted. But from reviewing call notes and copies of emails, it's clear that Vitality's delay in reimbursing Mrs B cause some inconvenience. She had to chase the situation. And was clearly worried about the lack of Vitality's progress. I can understand why this was inconvenient and upsetting. But I do think the compensation offered fairly recognises the frustration this caused. And so, I don't require Vitality to pay further compensation.

In addition to this, the compensation does also take into account that Mrs B could have placed the funds back into her savings earlier, if Vitality had processed a refund quicker, and therefore earned interest on this. It provides £23.17 in this regard. I think it's fair for Vitality to have considered this, given the funds could have been back in Mrs B's account sooner. £23.17 is likely to exceed what Mrs B would have earned in interest on these funds. So, I'm satisfied the payment in this regard is fair.

### **My final decision**

Given the above, my final decision is that I require Vitality Health Limited to pay Mrs B £75 if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 14 December 2022.

Rachel Woods  
**Ombudsman**