

The complaint

Mrs C complains about how Vitality Health Limited dealt with a claim against her private medical insurance policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, Mrs C has private medical insurance with Vitality which renews on 1 December each year. Following renewal in December 2021, Mrs C contacted Vitality about a claim for acupuncture and cognitive behaviour therapy (CBT). On 7 April 2022, Vitality authorised Mrs C's claim for acupuncture. Mrs C decided not to pursue her claim for CBT initially but has since organised treatment.

Mrs C says that Vitality was aware of her medical needs and poor mental health and took too long to authorise her claim. She says that she contacted Vitality many times and that it ignored her instructions about how and when to contact her. Mrs C feels that Vitality should refund the premium. She says that as she didn't have CBT, her mental health suffered and she wasn't able to return to work full time in January 2022, as planned. Mrs C wants Vitality to compensate her for lost income.

One of our investigators looked at what had happened. She didn't think that Vitality had responded to Mrs C's claim in a timely way in the first half of December 2021. The investigator thought that Vitality should pay Mrs C compensation of £100 in relation to that.

The investigator thought that Vitality made reasonable attempts to call Mrs C and her husband between 18 December 2021 and 3 February 2022. She didn't think it was appropriate to ask Vitality to refund the premium or pay compensation in relation to Mrs C's loss of earnings.

Neither Mrs C nor Vitality agreed with the investigator. Mrs C said that Vitality hadn't acted in accordance with her instructions about who and when to call. She said that when she returned Vitality's voicemails, she had to hold for a long time and then Vitality didn't return her calls as promised. Mrs C said that Vitality insisted on contacting her by phone, rather than e-mail. She said that not being able to have the therapies she needed meant that she couldn't return to work full time. Mrs C provided a letter from her acupuncturist who confirmed that Mrs C had treatment between 1 December 2021 and 30 June 2022 and that the treatment was curtailed because of the cost.

Vitality didn't think that compensation of £100 was appropriate in this case. It said that it had caused Mrs C minor inconvenience when it didn't call her back on one occasion. Vitality said that it didn't want to set a precedent and that compensation of £50 was fair.

As there was no agreement between the parties, the complaint was passed 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.

The relevant rules and industry guidance say that UKI has a responsibility to handle claims promptly and fairly. I don't think that Vitality treated Mrs C fairly or reasonably here. I'll explain why.

- This service can't direct Vitality generally about how it conducts its business, but we can consider how it handled Mrs C's claim. I've looked carefully at the chronology of events. Vitality's system notes suggest that it didn't log Mrs C's call on 1 December 2021 as a claim and it's common ground that it didn't call her back as promised. That meant that there was a delay in Vitality dealing with Mrs C's claim. It wasn't until after Mrs C contacted Vitality again on 15 December 2021 that it attempted to contact her.
- Based on what I've seen, from 18 December 2021 Vitality tried to contact Mrs C or her husband on several occasions. I've noted what Mrs C has said about this. I don't think that Vitality was at fault in trying to contact Mrs C's husband. Vitality's notes of its call to Mrs C on 18 December 2021 indicate that Mrs C's answer message directed it to her husband's number.
- I think that Vitality tried to contact Mrs C by phone between 18 December 2021 and 13 January 2022. It appears that Mrs C sent messages to an old e-mail address she had for Vitality. I can't see that Mrs C asked Vitality to contact her by e-mail or explained her availability to receive calls until a phone conversation on 17 January 2022. I don't think that Vitality was at fault in its attempts to contact Mrs C from 18 December 2021 onwards.
- On 3 February 2022, Vitality asked Mrs C by e-mail when was the best time to call her about her claim. By then, Mrs C wished to pursue her complaint rather than her claim.
- I think that Vitality caused Mrs C distress and inconvenience when it didn't deal with the claim she made in early December 2021. I don't think it's right for Vitality to characterise that as simply failing to return a call. Its delay meant that Mrs C's claim didn't progress until after she contacted Vitality again on 15 December 2021. Vitality has referred to setting a precedent, but each case is determined on its own merits. Mrs C has explained why the treatment she sought was important for her and the effect of the delay. In all the circumstances I don't think that an apology is sufficient in this case. I think that compensation of £100 is fair and reasonable. In reaching that view, I've taken into account the nature, extent and duration of Mrs C's distress and inconvenience caused by Vitality's delay in December 2021.
- There are no grounds on which I can fairly direct Vitality to refund the premium Mrs C paid. It subsequently authorised Mrs C's claim and Vitality tells me that Mrs C has made another claim for treatment in January, February, and March 2022.
- In order for Mrs C's claim for loss of earning to succeed, she'd have to show that Vitality's delay in December 2021 caused her loss of earnings. I don't think Mrs C has shown that Vitality's delay in December 2021 was the sole or main reason that she didn't return to work full time in January 2022. Even if Vitality hadn't delayed

Mrs C's claim initially, it's unlikely that her treatments would have been completed in December 2021.

Putting things right

For the reasons I've explained, Vitality should pay Mrs C compensation of £100 in relation to her distress and inconvenience.

My final decision

My final decision is that I uphold Mrs C's complaint. I require Vitality Health Limited to pay Mrs C compensation of £100 in relation to her distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 29 December 2022.

Louise Povey
Ombudsman