DRN-4119955

The complaint

Mr V complains because Vitality Health Limited hasn't paid a dental claim under his private medical insurance policy.

What happened

Mr V took out a private medical insurance policy with Vitality, running from 12 September 2021. The policy renews annually.

In November 2021, Mr V submitted a dental claim to Vitality. Vitality sent Mr V a form for his dentist to complete but Mr V subsequently decided to abandon the claim. In March 2022, Mr V submitted another, different claim. In April 2022, Vitality resent Mr V the form it had provided to him in November 2021 and asked for an itemised receipted bill for the March 2022 claim. Vitality says it received a completed form from Mr V's dentist in June 2022 but it was unable to approve Mr V's claim because the information received didn't confirm that Mr V had undergone a check-up with a dentist and completed all recommended dental treatment in the 15 months before his cover started, as required by the terms and conditions of Mr V's policy.

On 25 July 2022, Vitality wrote to Mr V's dental practice asking for further information. Around this time, Mr V brought his complaint to the attention of our service. In August 2022, Vitality sent a final response to Mr V explaining that it needed further information from his dentist, and that it would assess this information urgently as soon as it was received. Vitality paid Mr V £75 compensation for its delays in actioning his dental claim form and for delays in paying an optical claim, which Mr V had also complained about.

Mr V said his dentist hadn't received the form which Vitality sent and Mr V himself arranged for this to be completed and returned to Vitality in October 2022. Later that month, Vitality said Mr V's claim had been approved and paid – but this payment turned out to relate to different claims.

In January 2023, Vitality paid part of Mr V's March 2022 claim (an invoice totalling £170.00 for a scan). Vitality said it was unable to pay the remaining part of the claim (a treatment plan and estimate dated 6 December 2021 totalling £282.80), as it needed a full itemised invoice. Mr V subsequently provided bank statements to show he'd paid a total of £282.80 to his dental practice in late 2021/early 2022. However, Vitality maintained its stance that it needed a receipt from Mr V's dentist clearly showing the amount paid as well as confirmation of what the treatment was for.

One of our investigators recommended that Vitality should pay the remaining part of Mr V's claim, together with an additional £75 compensation. Our investigator also addressed an additional complaint point which Mr V had raised since bringing his original complaint to us - about which policy year benefit limit his claim should be recorded against.

Mr V said he thought the compensation recommended by our investigator seemed low, and that he wouldn't be happy with this unless Vitality recorded his claim against the benefit limit for the policy year in which the claim was made. Vitality didn't agree with our investigator's

opinion. As a resolution couldn't be reached, Mr V's complaint was referred to me. I made my provisional decision about Mr V's complaint in April 2023. In it, I said:

'The Financial Ombudsman Service has no power to look into a complaint unless the business concerned has been given the opportunity to consider and respond to the matter first. The complaint which Mr V brought to our service related only to Vitality's failure to pay his dental claim and this is all I'm addressing in my provisional decision. Mr V can't 'add-on' what I think is a substantial new issue to his existing complaint without first giving Vitality the opportunity to investigate and address the matter. If Mr V wishes to complain about the policy year benefit limit which the two parts of this claim have been/will be recorded against, then he'd need to raise this with Vitality directly, before bringing a new, separate complaint to our service.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. The rules also say insurers must handle claims promptly and provide reasonable guidance to help a policyholder make a claim, as well as appropriate information on its progress. I've taken these rules into account when making my provisional decision about Mr V's complaint.

It's up to a policyholder to provide sufficient evidence in support of their claim. An insurer is entitled to request reasonable evidence to satisfy itself that a claim is covered before making a payment under a policy. Generally, in cases involving private medical insurance, this would include asking for evidence that the treatment claimed for has been carried out, as well as a breakdown of the cost of the treatment. However, based on the specific circumstances of this case, I don't think Vitality's stance in requiring further information from Mr V before paying the remainder of his claim is fair or reasonable.

Mr V says he gave Vitality details of a January 2021 dental check-up and a June 2021 hygienist appointment, which were in the 15 months before the policy started. Vitality says this information wasn't contained on the claim form it received from Mr V's dentist in June 2022. Vitality hasn't provided me with a copy of this claim form, so I can't conclude with any certainty what information Vitality still needed from the dentist to confirm cover at that point. But, even if I accept that Vitality did require further reasonable information, I don't think the letter which Vitality sent to Mr V's dental practice in July 2022 clearly identified which patient it was asking for information about, and I also note the letter was addressed to the dental practice (which both Mr V and my research suggests is a large one) rather than to Mr V's specific dentist – so I don't think it's surprising that Mr V told us his dentist said this information request wasn't received. Vitality also doesn't appear to have chased this information request up with the dentist.

When Mr V returned the claim form completed by his dentist in Vitality, it responded by paying a different claim without providing any immediate explanation to Mr V about what claim the payment related to. It then took Vitality over three months to pay part of the correct claim. This is despite Vitality's assurances to Mr V that it would assess the information from his dentist urgently once it was received. I understand that Vitality first referenced the need for Mr V to provide an itemised receipt for his claim in April 2022, but I don't think Vitality was clear or consistent after that point in explaining to Mr V that it needed an itemised receipt for the £282.80 being claimed for. Mr V has provided evidence to show that a total of £282.80 was paid to his dentist around the same time as the date set out on the treatment plan. So, I'm satisfied that Mr V has demonstrated that he has a valid claim.

Given the time that has passed and the delays involved and considering the evidence which has already been provided, as well as the fact that the outstanding claim relates to NHS Band 3 dental treatment, I don't think it's fair or reasonable for Vitality to require further information from Mr V or his dentist before paying the rest of this claim.

For the avoidance of doubt, I'm not making any finding about when I think Vitality ought reasonably to have paid Mr V's claim – just that it would be fair and reasonable for the claim to be paid now.

I don't think Vitality handled Mr V's claim in line with industry rules and I'm satisfied that this caused Mr V frustration and annoyance. So, Vitality should pay compensation to Mr V for the impact of this on him. I'm satisfied that a payment of £75, in addition to the £75 compensation already paid, is fair and reasonable in the circumstances. I understand Mr V feels this award is low, but I have no power to punish or fine a business through a compensation award and I think a total compensation payment of £150 is fair in the circumstances.'

Vitality responded to my provisional decision and said it had nothing further to add. Mr V replied with comments on three separate issues, which I've addressed below.

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.

Mr V says he hasn't received the £75 compensation which I referred to in my provisional decision as Vitality already having paid. If Vitality hasn't already paid this to Mr V, then it should now be paying him a total of £150 compensation.

I understand Mr V says he wasn't told when buying this policy that evidence of a dental check up within the last 15 months would be required and, if he had been made aware of this, he'd have been able to provide this information more quickly. This complaint relates to Vitality's decision to refuse to pay Mr V's claim – no issues surrounding the sale of the policy have been investigated or addressed, and I've already factored what I think were Vitality's failings in handling Mr V's claim into the compensation award set out in my provisional decision.

Under the rules that govern our service (the Dispute Resolution Rules set out in the Financial Conduct Authority's Handbook) I have no power to consider or comment on Mr V's complaint about what policy year benefit limit this claim is recorded against unless Mr V firstly raises the matter with Vitality directly.

For these reasons, as well as those set out in my provisional findings, my provisional decision remains unchanged.

Putting things right

Vitality Health Limited needs to put things right by:

- paying Mr V's outstanding claim in line with the remaining terms and conditions of his insurance policy;

- paying Mr V a total of £150 compensation for the distress and inconvenience he experienced.

My final decision

I'm upholding Mr V's complaint against Vitality Health Limited, and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 7 June 2023.

Leah Nagle
Ombudsman