DRN-4189053

The complaint

Miss K has complained about the service she received from Vitality Health Limited when making a claim under her medical insurance policy.

What happened

The details of this complaint are well known to both parties and not in dispute. In summary Miss K is unhappy that she was billed for a shortfall in cover following a claim she made for outpatient diagnostic tests.

Our investigator didn't think Miss K had been fully advised by Vitality about the likelihood of the costs of the diagnostic tests exceeding her outpatient benefit limit. She recommended that the complaint be upheld and Vitality compensate Miss K in the sum of £1000.

Vitality didn't agree. It said that it had reminded Miss K about her outpatient limit. It also felt that as this wasn't Miss K's first claim she would have been fully aware that she needed to be mindful of her limit and keep track of it.

As no agreement has been reached the matter has been 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.

I'm aware I've set out the background to this complaint in less detail than the parties. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I agree with the conclusion reached by our investigator for these reasons:

- Miss K's policy terms and conditions are clear as to what her outpatient limit was. Vitality wrote to Miss K approving her treatment up to diagnosis on 16 June 2022. That letter included the following: *Cover limits - Some of your cover has a limit… Please note any amount listed in 'limit remaining' is based on bills we've received and processed so far and may be subject to change if there are any bills outstanding. If you would like more information about what is included in these limits, please call us.* Miss K did call, one more than one occasion. Although it is not in dispute that Miss K was reminded about her outpatient limit – her questions were more specific than this. I find that this is where Vitality should have done more to correctly advise Miss K.

- It is apparent from the call of 5 August 2022 that Miss K was concerned about costs and not going over her outpatient limit. The adviser didn't warn Miss K that they

weren't aware what the costs of her tests were and that she should check with the provider. I think that it would have been prudent for the adviser to tell Miss K this. Miss K specifically asked for confirmation that all the tests were covered, so that all she'd have to pay was the excess. She also said that she had wanted to make sure that all her tests were covered so that she wasn't left with any surprises.

- I haven't disregarded the fact that at the end of the call on 5 August Miss K was told that everything discussed was available through her Care Hub, which she could access through the Member Zone. Nevertheless it's clear from the call that Miss K gained the impression that all her tests would be covered. I don't find that was an unreasonable assumption given the responses from the adviser, who said that 25 blood tests would be covered. As I said, I think they should have taken the opportunity to advise that cover would only be up to the policy limit *and* they couldn't say what the charges were – this she would need to check with the consultant.

- Miss K has said that had she been so advised, she wouldn't have had all the tests she did have. She knew what her policy limit was – but wanted clarification that all the tests were covered within that. I find that is reasonable and I'm satisfied that her position was prejudiced following the telephone conversation with Vitality on 5 August. There was another call on 3 August – Miss K says that in that call she made a similar request and said she wouldn't proceed if she was taken over her limit. However, whilst I don't doubt Miss K's recollection, as that recording hasn't been produced I can't be sure how the conversation went.

- Vitality has said that Miss K was aware of how her outpatient benefit worked having made previous claims. But here Miss K was specifically calling to check whether she would be covered for the tests required in this claim. I'm satisfied for the reason given above that in the circumstances of this claim Miss K was led to understand that the tests required would fall within her limit.

- That said, like our investigator I don't find that Vitality is liable for the entire shortfall Miss K faces – because I'm satisfied that she would have incurred some of the costs anyway – these included the two consultations and an EEG. But Miss K was led to understand she was covered for all the blood tests and she just needed to pay her excess. This was incorrect. I find it would be fair and reasonable for Vitality to make a contribution to the blood tests that Miss K had on the understanding that they were all covered. I find £1000 is fair in all the circumstances.

My final decision

My final decision is I uphold this complaint. I require Vitality Health Limited to pay Miss K £1000.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 9 August 2023.

Lindsey Woloski
Ombudsman