

## **The complaint**

Mr C is unhappy that Aviva Insurance Limited decided to stop funding his mental health treatment.

## **What happened**

Mr C was receiving in-patient mental health treatment. Aviva contacted Mr C to say that they would no longer be covering this treatment. They then agreed to extend cover as this hadn't been communicated correctly to Mr C's treating team.

Mr C continued to receive in-patient care and Aviva authorised 20 sessions of therapy. He was then told that the policy only provided short term cover and so no further day-patient cover would be provided. Aviva later told Mr C he'd need to complete all of the therapy sessions by the end of December 2022, having previously told him there was no deadline.

Our investigator looked into what had happened and upheld Mr C's complaint. He didn't think Aviva had acted fairly when they decided to stop paying the claim. He also didn't think it was fair for Mr C to have been told that there was no time limit and then have a time limit imposed. He thought this had a significant impact on Mr C at a time when he was very unwell. He recommended Aviva pay £750 compensation, arrange for an independent assessment of Mr C's medical treatment and withdraw the time limit on Mr C's funding.

There was a lot of correspondence between the parties and ultimately Aviva accepted the investigator's findings. As of April 2023 Aviva was continuing to fund Mr C's treatment in full, and an independent assessment of Mr C's case has also now taken place. The outcome of that assessment does not form part of this complaint.

However, Mr C asked an ombudsman to review his complaint as he didn't think the compensation fairly reflected the impact on him. He said that his case appeared more similar to the cases outlined on the Financial Ombudsman Service's website which were of the highest severity. As Mr C didn't think the compensation our investigator recommended is fair the case was passed to me to make a final decision.

Mr C highlighted some telephone calls that he wanted the ombudsman to listen to which he said would demonstrate the impact on him. I asked Aviva to provide copies of the calls for the 22 and 23 February 2022 and listened to them, including a call with a manager which Mr C particularly highlighted as having caused him distress.

In August 2023 I issued a provisional decision explaining that I was intending to uphold Mr C's complaint. I said:

I'm aware that Mr C has had continued contact with Aviva in relation to the status of his ongoing treatment. My decision will focus on the impact of Aviva's decision to stop paying for treatment for in-patient care and their decision to place a time limit on further therapy sessions they'd agreed to cover. Those were the key points considered by our investigator when Mr C complained to the Financial Ombudsman Service. If Mr C is unhappy with what's happened since, including the outcome of the

independent assessment, he'll need to make a further complaint to Aviva.

I've taken into account all of the information and evidence I've been provided with. Aviva and Mr C have provided a lot of information. But I won't comment on every point they've raised, and I've focused on the key points which are relevant to my decision. If I don't comment on a particular piece of evidence or information, it's not because I've overlooked it or ignored it.

The Financial Ombudsman Service is an informal dispute resolution service. I don't need to comment on each argument to reach what I think is a fair and reasonable outcome.

The relevant rules and industry guidelines say that Aviva has a responsibility to handle claims promptly and fairly. Aviva accepted the claim and were making payment for Mr C's treatment. Aviva ultimately accepted our investigator's findings that the decision to stop making payment was unreasonable and that it wasn't reasonable to have placed a deadline on the remaining therapy treatment. So, those points are no longer in dispute. That means the key issue for me to decide is whether £750 compensation fairly reflects the distress and inconvenience caused to Mr C.

I'm intending to increase the compensation our investigator awarded and award a total of £3000 compensation for the reasons I'll explain.

It's accepted by Aviva that this original decision to time limit Mr C's treatment in February 2022 was based on a misinterpretation of the chronic exclusion clause. According to the policy terms Aviva's clinicians did not have the discretion to make a judgement on the clinical appropriateness of Mr C's treatment. That's important to note in the context of the communication that took place around that time as the distress caused to Mr C by this decision was entirely avoidable, had the situation been correctly handled in line with the policy terms.

Mr C has a long and complex history of mental health problems with a significant history of suicidal ideations. Any decision to stop funding ought to have been clearly communicated to Mr C directly and with careful consideration about the impact it would have on him. That didn't happen in this case as Mr C wasn't even told by Aviva that there was a decision to stop his funding.

I've listened to the calls between Mr C and Aviva on 22 and 23 February 2022. The impact of Aviva's decision on Mr C is clear – he was clearly shocked, frustrated, and worried by the decision to stop the funding. This decision came as a total shock to him because he'd learned of it from his healthcare provider.

I think the distress of finding out about funding being stopped was further exacerbated by how Mr C's concerns were handled. And, I think it's important to bear in mind it's now accepted that the relevant term wasn't correctly interpreted. On 22 February Mr C was told six days was enough time for NHS treatment to be arranged by someone who didn't have an in-depth understanding of his case and had just read through some of the notes on his file during the call.

During a call on 23 February Mr C was told his healthcare provider should have been managing the end of his in-patient care. This call caused him particular distress, and this is evident from the contents of the call – it ended by Mr C shouting that he wasn't reassured and wanted to now take his life. There is a noticeable difference between how Mr C presented in the calls on 22 February and the calls the next day which, I think, demonstrates what Mr C has described himself as him 'crashing' following the

news that funding had been stopped.

I also don't think the notice Aviva gave Mr C was reasonable in the circumstances of this case, which added to Mr C's distress. Initially Mr C was told he had six days before funding would end. A short extension was later given when Aviva acknowledged Mr C hadn't been told of the decision to stop funding. I think this added to Mr C's distress because, not only was he told he was going to lose funding, he was also given very little time to make alternative arrangements. As Mr C was given very little time to sort out alternative treatment, I think this added to the pressure he was feeling at an already difficult time.

All of this was further compounded by the decision to time limit Mr C's ongoing treatment which was based on the clinical appropriateness of Mr C's treatment in September 2022. But there was no clear explanation about why this decision was taken at the time. And, again, I don't think this course of action fairly acknowledged the complexity of Mr C's case or what had recently happened during the handling of his claim. Furthermore, Mr C had previously been told by Aviva in April 2022 that this treatment wouldn't be time limited. So, bearing in mind the complexity of Mr C's case and the nature of his mental health condition, I think this caused further distress and inconvenience to Mr C.

Mr C has set out in detail how Aviva's decisions have impacted him. He's explained that it's had a severe impact on his mental health. That's included delaying and worsening his psychological recovery and causing re-traumatisation. He said that the constant strain, uncertainty and financial pressures have created significant disruptions and strained relationships within his family. He also highlighted that Aviva's actions have delayed his ability to return to work, causing a significant decline in his earnings and long-term financial stability.

The examples on our website which Mr C referred to include an award made for extreme impact, where an award of over £5000 was made. No two cases are the same, and so I've considered the circumstances of this complaint and the impact on Mr C.

I've considered the contents of all the medical reports Mr C has provided. They include a report from his consultant from June 2022, which is written shortly after the inpatient treatment was stopped, and shortly before the decision to time limit Mr C's ongoing therapy was taken. So, I think it's a helpful insight into Mr C's mental state at the relevant time. It confirms his diagnosis of severe depression and that his treatment plan includes pharmacological and therapeutic intervention. It says:

He is currently struggling with multiple stressors which have impacted on his mental health with exacerbation of his symptoms of depression and associated heightened levels of anxiety.

Mr C would have benefitted from further intensive therapeutic input through the day-care therapy programme but unfortunately, funding was declined at that stage and further risk management and support is through his GP and local crisis team.

I've thought about the duration of the impact on Mr C. It's clear that, at the very least, this spanned from February until September 2022. I'm satisfied the impact was ongoing after September 2022 as Mr C was distressed by the decision to limit benefit at that point. I also think it's reasonable, in the circumstances of this case, to conclude it has caused Mr C ongoing distress and had an impact on his ongoing

mental health and recovery.

I've also considered that Aviva have continued to fund Mr C's treatment into 2023 and have settled the relevant outstanding invoices. As I've outlined above Aviva has continued to assess the claim following our investigators recommendation but that's not something I'm addressing in this decision.

I think Aviva's actions in the handling of the claim caused distress, inconvenience, pain and suffering. It resulted in a severe and serious short impact, particularly in February 2022 and again in September 2022. But I also think there has been an ongoing longer term impact since February 2022 which has continued. I think it's most likely this has impacted on Mr C's health, in particular Mr C's mental health. Furthermore, I think Aviva caused Mr C sustained distress which negatively affected his health, which has impacted on his daily life over a period of several months. I can understand that, in impacting Mr C's mental health and recovery, this is also likely to have impacted Mr C's relationships and his plans to return to work.

Having taken all of the above into account I'm intending to award Mr C £3000 to reflect the substantial and sustained distress, inconvenience, pain and suffering caused.

#### My provisional decision

I'm intending to uphold Mr C's complaint and direct Aviva to put things right in the way I've outlined above.

Aviva accepted my provisional decision and clarified they'd paid Mr C £750 following our investigator's recommendation. Mr C accepted my provisional findings.

#### **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.

As both parties accepted my provisional decision there's no reason for me to reach a different conclusion about the outcome of this complaint. For the reasons outlined above, and in my provisional decision, I'm upholding Mr C's complaint.

#### **Putting things right**

I direct Aviva to pay Mr C a total of £3000 for the distress and inconvenience caused. This includes the £750 compensation already paid following the investigator's recommendation.

#### **My final decision**

I'm upholding this complaint and direct Aviva Insurance Limited 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 C to accept or reject my decision before 18 September 2023.

Anna Wilshaw  
**Ombudsman**