

## **The complaint**

Mr and Ms K complain about poor customer service by Simplyhealth Access when they were given incorrect information about their policy renewal date.

## **What happened**

In January 2023 Mr and Ms K took out medical insurance policy with Simplyhealth through Mr K's employer. This policy is a health cash plan providing a fixed amount of benefit throughout the year for dental treatment and physiotherapy, along with other treatments like reflexology and sports massages. The documentation provided showed the policy renewal date as 1 April 2023. Claims were made and benefits paid in February 2023 but then Mr K noted in March 2023 that he could no longer access his policy online.

Mr K contacted Simplyhealth who confirmed that there had been an error and that the renewal date of the policy was in fact 1 March 2023, not 1 April 2023. The old policy was cancelled, and a new policy created to reflect the correct renewal date. Mr and Ms K complained to Simplyhealth, who apologised for the error and offered £50 compensation. But Mr and Ms K remained unhappy with this outcome and brought the complaint to this service.

Our investigator looked into the complaint and felt that £50 compensation wasn't enough to cover the loss of expectation Mr and Ms K had suffered as a result of this error. He said that some of the benefits could only be utilised if a health condition was to arise. But he found there were some benefits which could be used at any point and so he thought Mr and Ms K could have made use of those benefits in that year had they been aware of the correct renewal date. He recommended that the compensation offer be increased by an additional £150.

Mr and Ms K accepted our investigator's view. Simplyhealth said that, while it recognised its initial compensation award was too low, it felt that an additional £150 was too high. It said it would increase the offer by an additional £100. As no agreement could be 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.

Simplyhealth has accepted that it made an error when setting up the policy and that the incorrect renewal date was given. It offered £50 in compensation. Mr and Ms K are unhappy as they believed they had a longer period to utilise the plan's benefits for that particular year. They have told us that they would have used more of the benefits prior to 1 March 2023, had they known about the earlier renewal. And they don't think that the compensation offered by Simplyhealth is enough.

I've thought about this carefully. Health plans are generally designed to provide reimbursement to the insured members for costs they incur for general healthcare up to a

fixed sum in each year. Some of these benefits relate to reimbursement of healthcare costs which may come up at any point during the year if you suffer an illness or injury so these cannot be scheduled. However, there are also benefits, such as routine dental and eye care, along with some other therapies which could be utilised at any point. Therefore, it is possible that Mr and Ms K could have received care and claimed the benefit in the previous policy year, had they known of the correct renewal date.

Simplyhealth has provided details of the claims that have been made before and after renewal of the cover. And it is clear that Mr and Ms K did utilise some of these types of benefit in March 2023. So, I think it is likely Mr and Ms K would have scheduled these earlier if they had known of the correct date. So, I think that they have suffered a loss of expectation as a result of this mistake by Simplyhealth. They also have less benefit available to them in the new policy year as a result.

Our investigator recommended that Simplyhealth increase its compensation offer by an additional £150 – bringing the total compensation to £200. I've noted that Simplyhealth feel this is too high and have offered an additional £100 instead. But it hasn't provided any explanation for the reduction. Based on what I've seen I'm satisfied Mr and Ms K have lost out on the opportunity to utilise the benefit they thought was available to them in that first year and therefore I'm persuaded that an additional award of £150 should be made to bring the compensation to a total figure of £200.

### **Putting things right**

I direct Simplyhealth to pay an additional £150 compensation to Mr and Ms K, bringing the total compensation payment to £200.

### **My final decision**

As stated above, I uphold this complaint.

Simplyhealth Access needs to put things right as detailed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Ms K to accept or reject my decision before 11 October 2023.

Jenny Giles  
**Ombudsman**