DRN-4317796

The complaint

Mr and Mrs C are unhappy with the service received from BUPA Insurance Limited and that it had changed a term in its private medical insurance policy ('the policy') without telling them in advance.

What happened

Mr and Mrs C have had the benefit of private medical insurance with BUPA for many years. In May 2022 Mrs C was referred for a private medical consultation. A claim was made on the policy and, as Mrs C didn't have an excess on her policy, it was paid by BUPA in full.

Mr and Mrs C are unhappy that they didn't receive a claim advice statement (setting out the cost of the consultation). As such, when Mrs C required further tests and consultations during the same policy year, they say they were denied the opportunity of weighing up the option of self-funding further medical costs or claiming on the policy – knowing that Mrs C's no claims discount would reduce.

BUPA covered further medical costs incurred in June and July 2022, and January 2023. Mr and Mrs C didn't receive a claim advice statement setting out the cost of these appointments.

At the next policy renewal in early 2023, Mr and Mrs C were unhappy to find that the premium had increased by so much, due to Mrs C's no claim discount being reduced from 70% to 62% in line with the policy terms.

Mr C contacted BUPA and was told that four claim advice statements had been sent by post in June and July 2022, and January 2023. He was emailed these again.

Mr and Mrs C then noticed that the claim advice statements BUPA had purportedly sent by post had been addressed to Mrs C rather than Mr C. Previous claim advice statements in respect of treatment received by Mrs C had been sent to Mr C.

Mr and Mrs C didn't think it was plausible that four claim advice statements had been sent to them at different times and all had been lost in the post. They also had questions around why they hadn't been informed of the change in process from sending claim advice statements to the person who had the treatment rather than the main member directly.

In its final response letter dated March 2023, BUPA explained that it had changed its terms and conditions in 2020 to reflect that it would only write to the member with the costs incurred in relation to the claim if there was an amount to be paid by the member. BUPA also confirmed that the four advice statements had never been sent by post to Mr or Mrs C.

Unhappy, Mr and Mrs C complained to the Financial Ombudsman Service. Our investigator looked into what happened. As BUPA's final response letter addressed many concerns raised by Mr and Mrs C, he sought to clarify the complaint points Mr and Mrs C wanted the Financial Ombudsman Service to investigate. And having confirmed this, our investigator partially upheld their complaint. Our investigator recommended BUPA pay Mr and Mrs C

£100 compensation for distress and inconvenience caused by being told on the phone that the claim advice statements had been sent by post when they hadn't.

Mr and Mrs C didn't think this amount was sufficient in the circumstances. So, their complaint has been passed to me to consider everything afresh 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.

BUPA has an obligation to treat customers fairly.

Being told that claim advice statements had been sent by post

I've listened to the phone call Mr C had with one of BUPA's representatives in early February 2023. He was told that BUPA's systems reflected that the four claim advice statements had been generated and sent. Mr C was also sent the statements by email during the call.

BUPA accepts in its final response letter that the claim advice statements hadn't been sent by post.

I'm satisfied that because Mr C was given the wrong information during the call which took place in early February 2023, Mr and Mrs C both experienced unnecessary distress and inconvenience.

I'm satisfied that during this call and subsequent calls I've listened to that Mr C was concerned that the claim advice statements couldn't have been posted to his and Mrs C's address; that it wasn't plausible for four separate statements to go missing. He felt there must've been an error BUPA's end. It transpires he was right. The statements were never posted.

As a result, a number of calls took place regarding this issue and he and Mrs C were put to the trouble of searching through their paperwork to be sure that they hadn't been received previously and raising further questions in writing. I think this could have all been avoided if they had been given the correct information.

Change in circumstances when BUPA sends claim advice settlement letters

Mr and Mrs C are also unhappy that BUPA changed a term in its policy regarding the circumstances when claim advice statements would be sent and to whom.

BUPA accepts that in earlier policy documents it said:

> In many cases we have arrangements in place with providers about how much they charge our members for treatment and how we pay them. For treatment costs covered under your benefits we will, in most cases, pay the provider of your treatment direct – such as the recognised facility or consultant – or whichever the person or facility is entitled to receive the payment. Otherwise we will pay the main member. We will write to tell the main member how we have dealt with any claim.

Subsequently, in around 2020, the term changed. It said:

> You will have a contract with the Consultant/medical practitioner/healthcare professional and/or clinic/hospital for private medical Treatment and you are

> responsible for paying for them. If your Treatment is covered, we will pay the amount covered. We usually pay direct although occasionally we may pay you. Any amount not covered is your responsibility. **We will write to tell the Main Member or Dependant having Treatment (when aged 16 or over) when there is an amount for them to pay in relation to any claim** (for example, if they have an excess amount to pay) and who the payment should be made to (**my emphasis**).

The insurance certificate lists Mr C as the main member and Mrs C as the (first) dependant.

I'm satisfied this means where the member/dependant doesn't have to pay anything towards the medical costs incurred (like Mrs C in circumstances of this case), BUPA wouldn't send claim advice statements anymore. BUPA says in its final response letter that this is due to the impact of printing and posting letters has on the environment. And it only sends these out when necessary.

That was the term in place in 2022/2023. So, I'm persuaded that BUPA acted fairly, and in line with the terms of the policy, by not sending the claim advice statements to Mrs C in 2022 and early 2023. That's because Mr and Mrs C didn't need to pay anything towards the medical costs being incurred then.

However, Mr and Mrs C say BUPA didn't make them aware of this change to the policy. I've considered whether BUPA ought to have notified them of the change. I don't think it reasonably should have. When a policy is being renewed and/or changes are being made to the policy terms, an insurer is under an obligation to set out to the policyholder clearly and fairly any significant changes to the terms and conditions in advance.

I don't think BUPA's decision to no longer send out claim advice statements when there is nothing for the main member/dependant to pay towards medical costs – and BUPA's decision that it would only send these directly to the dependant (aged 16 or over) if costs were incurred for them - is a significant change. So, I don't think it should have been specifically highlighted to Mr and Mrs C at the time. I'm satisfied the term is included in the policy terms and conditions.

However, I do accept that when Mr C asked questions about how long this process had been in place for during calls with BUPA's representative in February 2023, he wasn't given a clear answer as he should have been. He didn't receive clarity on this issue until the final response letter. And I accept this caused upset to Mr and Mrs C.

Consent

From what I've seen, I'm satisfied Mrs C had given consent to discuss her policy and medical details with Mr C at the end of January 2023. That's why, for example, BUPA's representative was able to email him the claim advice statements addressed to Mrs C (but never in fact posted to her) during the call in early February 2023. So, I don't think BUPA acted unfairly in this respect.

Distress and inconvenience

I think £100 compensation fairly and reasonably reflects the distress and inconvenience caused to Mr and Mrs C as a result of the incorrect and unclear information Mr C was given over the phone when speaking with BUPA's representative earlier in February 2023.

Putting things right

I direct BUPA to pay Mr and Mrs C £100 compensation for distress and inconvenience.

For the avoidance of doubt that's in addition to the £50 compensation already paid by BUPA and mentioned in its final response letter. That's because this was paid as compensation in respect of a different concern raised by Mr and Mrs C (which doesn't form part of the overall complaint Mr and Mrs C has asked the Financial Ombudsman Service to determine).

My final decision

I partially uphold this complaint and direct BUPA Insurance Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 17 November 2023.

David Curtis-Johnson
Ombudsman