

The complaint

Ms S complains about how Medicash Health Benefits Limited dealt with her claim against her employer's group healthcare cash plan.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, Ms S has the benefit of a Medicash cash plan via her employer. On 30 January 2023, Ms S had dental treatment. Another insurer reimbursed part of the cost of that treatment. On 3 March 2023, Ms S claimed from Medicash her £25 contribution towards the dental treatment in January 2023.

On 8 March 2023, Medicash told Ms S that it required more information from her. On 9 March 2023, Ms S phoned Medicash. I'll refer to that conversation in more detail below. On 14 March 2023, Medicash agreed to process Ms S' claim and apologised for the standard of the phone call on 9 March 2023.

Ms S says that Medicash declined her claim as it required two documents, but its system only allowed the submission of one document. When she contacted Medicash by phone, Ms S said that the adviser was rude to her and hung up on her. Ms S says that she spent hours on the phone with Medicash and was distressed about how she was spoken to. She says that she incurred overdraft fees. Ms S wants compensation and for Medicash to fix the issue with its claims process.

In response to Ms S' complaint, Medicash explained why it had asked for more information and agreed to process her claim. Medicash apologised for the customer service Ms S received. It said that its app will permit the submission of multiple images but only one pdf document for each claim. It gave Ms S details of alternative ways to send information.

One of our investigators looked at what had happened. She thought that Medicash had been reasonably clear in telling Ms S what she needed to provide to make her claim. The investigator didn't think that Medicash had delayed in dealing with Ms S' claim. She thought that Medicash had acted reasonably in apologising for the service Ms S received during the phone call.

Ms S didn't agree with the investigator. She said, in summary, that she made multiple calls to Medicash, incurred interest charges and was highly distressed in relation to this matter. Ms S was upset that it wasn't clear how to make a claim and that Medicash hadn't fixed its system.

The investigator considered what Ms S said but didn't change her view. Ms S asked that an ombudsman consider her complaint, so it was 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.

It's clear that Ms S has very strong feelings about this matter. I trust that she won't take as a discourtesy the fact that I focus on what I consider to be the central issue, that is whether Medicash acted fairly and reasonably in its handling of her claim.

As the investigator explained, we're not the regulator of financial businesses and we don't direct them in relation to operational matters. So, I don't comment on Medicash's claims system generally, but I can look at how it handled Ms S' claim.

I've listened to the recordings of the phone calls provided by Medicash and read all that's been provided. I have a good understanding of Ms S' points and so I don't need to speak with her for the fair resolution of this complaint and it's rare that this is necessary.

the relevant terms and conditions

The starting point is the terms and conditions, the relevant parts of which say as follows:

'5. CLAIMS

[...]

5.2 You must give us the information or proof we need to support your claim, as explained in Sections 5 and 10. We will not be able to pay your claim if you do not have enough supporting evidence. [...]

5.6 All receipts must be fully paid originals and should show:

- i the name, address and qualifications of the practitioner who provided your treatment;*
- ii the date of the treatment;*
- iii the name and address of the person who received the treatment; and*
- iv a breakdown and description of the treatment.*

[...]

has Medicash acted unfairly or unreasonably?

The relevant rules and industry guidance say that Medicash has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I uphold Ms S' complaint and I'll explain why:

- An insurer will decide what risks it's willing to cover and set these out in the terms and conditions. The onus is on the consumer to show that the claim falls under one of the agreed areas of cover within the policy.
- The terms and conditions of the plan provide that Medicash requires certain information in support of a claim. I don't think that Medicash acted unreasonably in declining Ms S' claim initially, as the documentation she provided didn't show what Medicash needed to see in order to validate her claim.
- Ms S says that she's made multiple calls to Medicash. We've asked Medicash to search its call logs. It's found two calls from Ms S' phone number – both on 9 March 2023. One call is for over 27 minutes and the other is over 2 minutes. I've listened to both calls.
- I can see why Ms S was upset during and after the longer of the two phone calls. The tone of the call is unfortunate. And I think that Medicash and Ms S may have been speaking at cross purposes about what it was and wasn't possible to upload with a

claim. It would have been helpful if Medicash had explained in that phone call that whilst the system only permits one pdf, further documents can be sent by e-mail. That's the explanation it gave in its final response to Ms S on 14 March 2023.

- In its final response on 14 March 2023, Medicash agreed that the explanation it gave to Ms S during the longer phone call on 9 March 2023 was unclear and confusing and that the adviser spoke over Ms S several times and "*came across as rude*". It hasn't disputed Ms S' claim that the adviser hung up on her. That was after Ms S said that the adviser was useless in dealing with the claim. Nevertheless, I don't think that Medicash acted fairly or reasonably in terminating Ms S' call abruptly without an explanation of why it was doing so. Whilst I acknowledge that Medicash apologised for the content of the call a few days later, I don't think that's sufficient in this case.
- Considering everything, I think a fair outcome requires compensation. I think that Medicash should pay Ms S compensation of £50 in relation to her distress and inconvenience arising out of the longer phone call on 9 March 2023. In reaching that view, I've taken into account the nature, extent and duration of Ms S' distress and inconvenience, the fact that the exchange became contentious from both sides and that Medicash apologised a few days later.
- Ms S says that Medicash's delay in dealing with her claim caused her to incur overdraft fees. I don't think that there was undue delay in dealing with the claim on Medicash's part. On 14 March 2023, it arranged for Ms S' claim to be processed. There's no basis on which I can fairly direct Medicash to reimburse Ms S' overdraft fees.

Putting things right

In order to put things right, Medicash should pay Ms S compensation of £50 in relation to her distress and inconvenience.

My final decision

My final decision is that I uphold this complaint. Medicash Health Benefits Limited should take the step I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 9 October 2023.

Louise Povey
Ombudsman