

The complaint

Mrs J complains about the settlement paid by National Deposit Friendly Society Limited ('National Friendly') under her dental claim.

What happened

Mrs J holds a healthcare deposit account plan with National Friendly. She made a claim for dental treatment totalling £403.80. National Friendly paid £303.80 but said it wouldn't cover the costs for the x-ray, hygienist or scan. Unhappy with this, Mrs J brought a complaint to this Service.

Our investigator didn't recommend the complaint be upheld. He thought National Friendly's claims decision had been in line with the policy terms.

I issued a provisional decision on 23 October 2023. Here's what I said:

'Mrs J told National Friendly she was claiming £403.80 for her dental treatment. She included a statement of account from her dentist totalling £353.70, with a breakdown of the various costs. She also included a separate receipt for a 3D scan costing £100.'

National Friendly told Mrs J it had declined to pay for the cost of the x-ray, hygienist and scan.

Based on Mrs J's explanation, I understand the initial x-ray was included in the cost of the examination (this was covered by National Friendly). However, the dentist's statement of account doesn't make this very clear, and so I can see why National Friendly thought the initial x-ray and hygienist were included under one item.

National Friendly is of the view that x-rays wouldn't be covered by the policy (though see my below comments on this). As National Friendly thought the initial x-ray was a separate cost to the initial check-up, that is why it said it wasn't covered. I think this is where some of the confusion lay.

Mrs J says she wasn't claiming for the hygienist cost of £49.90. But she didn't make this clear to National Friendly. And the hygienist amount was on the statement of account, so I assume that's why National Friendly also said this wasn't covered.

National Friendly covered everything that Mrs J was claiming for, apart from the 3D scan costing £100 (which is considered an x-ray). I've therefore considered whether this was reasonable.

The policy sets out what's covered under the dental cover. That is: – fillings; extractions; bridges; dentures; crowns; inlays; and any other dental treatment that is not cosmetic.

I've thought about whether the x-ray would be considered 'any other dental treatment that is not cosmetic'.

The policy defines 'treatment' as:

'Surgical or medical services (including diagnostic tests) to diagnose, relieve or cure a disease, illness or injury.'

The policy defines 'diagnostic tests' as:

'Any investigation, such as a blood test or x-ray, which might find or help to find the cause of your symptoms.'

Mrs J didn't have the 3D scan for cosmetic reasons, it was arranged by the specialist before her wisdom tooth was extracted (apparently for higher resolution images than the normal x-ray which had already been done). Based on the policy terms, I'm satisfied this would be considered dental treatment that wasn't cosmetic, and was therefore covered under the policy.

I therefore intend to require National Friendly to pay the additional £100, plus interest.'

I asked both parties if they wanted to provide any further comments before I made a final decision.

Mrs J responded and confirmed her scan was a necessary part of the extraction process. She also thought the confusion around the hygienist cost could have been cleared up at an early stage if she had been allowed to discuss the matter with the person who looked into her complaint.

National Friendly responded to say it had issued an addendum to the policy in 2011 which confirmed that only eight types of treatment would be covered. And that Mrs J was reminded of this in 2020, and in March 2022.

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.

National Friendly has explained to this Service that it issued an addendum to the policy in 2011. I haven't seen a full copy of the addendum, but the extract provided by National Friendly says:

'Dental Cover: Included

- *Fillings*
- *Extractions*
- *Bridges*
- *Dentures*
- *Crowns*
- *Inlays*
- *Dental Implants*
- *Root canal treatment*

Dental Cover: Excluded

- *Check-ups (unless they are part of the same bill as other covered treatments)*
- *Any treatment not listed under 'included' above, including, but not limited to, cosmetic dental treatments, scale and polish (or other cleaning of teeth and gums), braces and bite guards.*

- *Dental surgery under general anaesthetic will be paid under Medical Cover under the terms and conditions described in that section.'*

National Friendly says it has been managing dental claims since 2011 based on the terms contained in the addendum, and that the addendum and the policy document work together to provide the overall terms and conditions.

I see that the latest policy document (titled Your policy explained) provided to Mrs J is dated March 2015. This was after the addendum was issued in 2011. Yet the policy document continued to say that any other dental treatment that is not cosmetic is covered. The policy says *'This is your complete guide to the Healthcare Deposit Account from National Friendly. Along with your application, it forms the legally binding terms and conditions of your policy.'* It doesn't say that it should be read in conjunction with an addendum issued in 2011.

Whilst I can appreciate an insurer may want to issue an addendum to an existing policy document, it's not reasonable to expect the terms in that addendum to apply to future policy documents that are issued. If National Friendly wanted to assess claims based on the terms in the addendum rather than the new policy document, it should have updated the new policy document to reflect those terms. I've noted that National Friendly says the 2015 policy document was only issued to reflect its new address details, but it remains the case that it's the latest policy terms and would therefore apply to any claims after this.

National Friendly says the policy was never designed to cover all dental treatment, only the eight treatments listed in the addendum. However, I see that in National Friendly's final response letter to Mrs J, it quoted the policy document terms rather than the different addendum terms. And when our investigator asked National Friendly about the relevant term in the policy document (that says it covers any other dental treatment that is not cosmetic treatment), National Friendly's response was that an x-ray is not deemed as treatment. It didn't mention anything about there being different terms in an addendum. So it seems National Friendly itself isn't clear over what terms apply to claims.

I see that National Friendly told Mrs J in October 2020 (after she made a previous claim) that there had been an addendum issued in 2011 and it was assessing claims based on this. This was two years before the claim subject to this complaint. I wouldn't expect Mrs J to remember which policy terms applied to her claim when National Friendly was apparently confused about this.

Mrs J spoke with National Friendly in March 2022 to check which booklets were relevant, and was told the 'Your policy explained' document and addendum. But the information in those documents about what was covered wasn't clear. It seems to me it's reasonable to expect the latest policy document to be correct. As National Friendly drafted the policy terms, I find these should be interpreted in Mrs J's favour. Therefore, as Mrs J's x-ray wasn't needed for cosmetic reasons, I remain satisfied that National Friendly should reimburse her the £100.

Mrs J says the confusion around the hygienist cost could have been cleared up if National Friendly had spoken with her about the matter. I agree that it likely could have been. Nonetheless, I've explained in my provisional decision that I thought National Friendly had said this wasn't covered because it was included in the statement of account, and Mrs J didn't specifically say she wasn't claiming for it.

My final decision

My final decision is that I uphold this complaint. I require National Deposit Friendly Society Limited to reimburse Mrs J £100. Interest* should be added at the rate of 8% simple per annum from the date National Friendly paid the claim to the date of settlement.

* If National Friendly considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs J how much it's taken off. It should also give Mrs J a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 4 December 2023.

Chantelle Hurn-Ryan
Ombudsman