

The complaint

Mr H complains about Vitality Health Limited's handling of his private medical insurance claim.

What happened

Mr H holds private medical insurance cover with Vitality. He made a claim in October 2022, and chased Vitality around a week later. Vitality logged the matter as a complaint. It sent him updates in November and December 2022.

Vitality issued its final response in March 2023, and offered Mr H £25 compensation. Mr H became aware at this point that Vitality had been waiting for further information from him before it could progress the claim. He told Vitality he hadn't been asked for any information.

Vitality issued a second final response in April 2023. It said it wasn't clear if it had asked Mr H for the further information. It agreed to cover his claim for diagnostic investigations, but thought the £25 compensation previously offered was fair. Unhappy with Vitality's response, Mr H brought a complaint to this Service.

Our investigator recommended the complaint be upheld. She thought reasonable compensation for Vitality's error would be £125.

Vitality accepted our investigator's recommendation, but Mr H didn't.

I issued a provisional decision on 7 November 2023. Here's what I said:

- *'Vitality made an error here. It needed more information from Mr H before it could progress his claim, and it now accepts that it failed to ask Mr H for that information.'*
- *'Vitality did try to put matters right by accepting the claim for diagnostic investigations without the further information it wanted (to prevent further delays). That seems reasonable in the circumstances, though I agree with our investigator that Vitality should also pay compensation to Mr H. He only learnt that Vitality was waiting for information from him on 3 March 2023. This was over four months after the claim was made.'*
- *'Mr H asked for an update on his claim on 28 October 2022 (around a week after it had been submitted). As he was unhappy with the time taken to assess his claim, Vitality logged this as a complaint. I see that Vitality wrote to Mr H a few times in November and December 2022 to say it was still looking into his concerns. It seems Mr H thought from this that Vitality was looking into the claim delay, and that's why he didn't continue to chase Vitality about the matter.'*
- *'I think Vitality's error caused Mr H unnecessary frustration, and meant his medical investigations were delayed. Taking this into account, I require Vitality to pay Mr H £350 compensation.'*

I asked both parties for any further comments they wished to make before I reached a final decision.

Vitality responded to say the compensation I intend to award far exceeds any other amount it has been asked to pay for this type of issue. It says it cannot see any reasonable justification for the increase.

Mr H responded with the following main points:

- He doesn't agree that £350 is adequate compensation. He says this doesn't reflect that Vitality didn't provide the cover he was paying for, yet he continued to pay his premiums.
- He is still unaware what the delay was, as Vitality later covered the consultation without requiring any further information.
- He says he chased Vitality through his broker, after involving them from the very start.
- He was subjected to discomfort as he was told his claim was being investigated, which implied he was somehow trying to cheat Vitality.

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.

Vitality says the compensation I intend to award far exceeds any other amount it has been asked to pay for this type of issue. It may be helpful if I explain that when we consider compensation for distress or inconvenience, we consider the impact to the consumer. Vitality's mistake was relatively minor, however the impact to Mr H was that his medical investigations were delayed as a result.

Mr H says the £350 compensation doesn't reflect that Vitality didn't provide the cover he was paying for, yet he still had to pay his premiums. However, Vitality was still on risk to pay claims during this time and therefore it wouldn't be reasonable for me to require Vitality to refund Mr H's premiums. Our compensation awards are not intended to be punitive, and as I've said, they reflect the impact caused to a consumer by a business's mistake.

Mr H says he doesn't know why there was a delay in the first place, as Vitality later approved his consultation without requiring additional information. As I understand it, Vitality wanted further information from the GP about Mr H's symptoms and when they started. Though as I explained in my provisional decision, Vitality did later try and put matters right by accepting Mr H's claim without this further information (to prevent further delays).

I've noted Mr H's explanation that he did chase his broker about the matter. However, Vitality's notes say the first contact from Mr H's broker was on 30 March 2023. Mr H may want to take this up with his broker if he thought they were in contact with Vitality about the matter before that date.

Overall, I remain satisfied that £350 compensation is appropriate here as I think this reflects the inconvenience Mr H experienced as a result of Vitality's error.

My final decision

My final decision is that I uphold this complaint. I require Vitality Health Limited to pay Mr H £350 compensation (it can deduct any amount already paid).

*Vitality must pay the compensation within 28 days of the date on which we tell it that Mr H accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 December 2023.

Chantelle Hurn-Ryan
Ombudsman