

The complaint

Mr D complains about his membership of a group private medical insurance policy with Vitality Health Limited.

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, from March 2022 to August 2023, Mr D was a member of a group private medical insurance policy provided by his employer. One of the benefits of membership is a 50% discount at one of Vitality's partner gyms. The terms and conditions of the benefit provide that transferring from one gym to another incurs a transfer fee.

Mr D says that in January 2023, he tried to join one of Vitality's partner gyms but was unable to do so. In February 2023, Mr D contacted Vitality and told it that the gym he'd like to join had told him that he was already using the benefit at another gym. Vitality cancelled Mr D's benefit at his previous gym. Mr D says that he tried to join the new gym several more times but couldn't do so.

In May 2023, Mr D contacted Vitality again and said that he still couldn't sign up with the new gym and take advantage of the benefit. Vitality referred the issue to its technical team. It offered to pay Mr D's £50 transfer fee once the technical issue was resolved and to refund 50% of the monthly subscription fee for the new gym. It subsequently offered Mr D compensation of £25.

Mr D didn't think that was fair and pursued his complaint. He says that he can't afford to join the gym at full price. Mr D wants compensation for the lost discount and his distress and inconvenience.

One of our investigators looked at what had happened. She thought that the steps Vitality had taken were fair and reasonable. The investigator said that she realised that submitting evidence of payment so that Vitality could reimburse 50% of the fee is inconvenient but that the compensation reflects that.

Mr D didn't agree with the investigator. He thought that the steps Vitality had taken to put things right were insufficient. Mr D said that this matter has caused him distress and inconvenience. He said that he couldn't afford to pay the full price for gym membership then reclaim 50%. Mr D says that he returned to the gym several times in the hope that the technical issue was resolved. He says that his doctor advised him to exercise. Mr D asked that an ombudsman consider his 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 common ground that a technical error prevented Mr D from taking advantage of the offer of 50% discount on gym membership. The remaining issue for me to decide is whether Vitality's offer to put matters right is fair and reasonable or whether it should do more.

The technical error in this case turned what should be a straightforward process - joining one of Vitality's partner gyms - into a rather protracted and frustrating series of events for Mr D. He says that he began the process in January 2023. Vitality was first aware in early February 2023 of the difficulties Mr D was having. Its action in February 2023 of cancelling Mr D's previous gym membership didn't solve the problem and Mr D was still unable to join the gym.

Mr D says - and I accept - that he subsequently tried several times to join the new gym but was unable to do so. In early May 2023, Mr D told Vitality that the problem wasn't resolved. In late May 2023, Vitality told Mr D that the technical issue wasn't fixed and in the meantime, it offered to reimburse 50% of the membership fee on proof of payment and pay the transfer fee once the technical issue was resolved.

I think that Vitality's offer to reimburse 50% of the membership fee was a reasonable temporary offer until the technical issue was resolved. I appreciate that Mr D says that he couldn't afford to pay the full fee and wait for a 50% refund, but I don't think that Mr D's inability to take up that offer was Vitality's fault. I also think it was fair for Vitality to offer to pay the transfer fee once the technical issue was resolved.

I don't think that Vitality's offer of £25 compensation was sufficient as it doesn't fairly compensate Mr D for his distress and inconvenience in this case. It was particularly important for Mr D to join a gym as he'd been advised by his doctor to exercise. Mr D says that he made several trips to the gym in an attempt to sort the matter out. The issue was protracted over several months. In all the circumstances, I think that compensation of £100 is fair and reasonable in this case. In reaching that view, I've taken into account the nature, extent and duration of Mr D's distress and inconvenience caused by Vitality's error in this case.

Putting things right

In order to put things right, Vitality should pay Mr D total compensation of £100 in relation to his distress and inconvenience. If it has already paid Mr D £25, it can deduct that amount from the payment.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 January 2024.

Louise Povey
Ombudsman