

The complaint

Mr B has complained that Vitality Health Limited ('Vitality') didn't pay for a procedure it had authorised.

What happened

Mr B had a private medical insurance policy, underwritten by Vitality.

He made a claim for a procedure which was authorised by Vitality and scheduled for a date in March 2023. Mr B decided not to continue with his policy at renewal which meant his cover ended on 6 April 2023. The procedure was postponed by the hospital until 25 April 2023.

When Mr B submitted his claim, Vitality declined to pay it as the procedure took place after his cover had ended.

Mr B complained and unhappy with Vitality's response, referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Vitality had done anything wrong as its terms and conditions were clear that even if treatment was authorised during the period of cover, any treatment after the cover end date wouldn't be paid for.

Mr B disagreed and in summary has made the following points:

- He doesn't think it's fair for Vitality to not pay for a procedure once it has already authorised it.
- He couldn't continue with cover due to the price increase but he shouldn't be disadvantaged as a result of this. And the procedure was initially due to take place within the cover period but had to be moved due to circumstances outside of his control.
- Vitality chooses its hospital contractors and so the hospitals are an extension of Vitality for which it should be held responsible.
- The insurable event took place during the policy cover dates and the insurer is abusing its policy by refusing to pay. Insurers can abuse their position by pricing customers out of cover by asking hospitals to delay treatment, so they don't have to pay.

And so the case has been passed to me for a final decision.

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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

- The background to this complaint is well known to both parties so I won't repeat it here. Instead, my decision will focus on what I consider to be key. I would also like to reassure Mr B that I have carefully considered everything he has said in detail even if I don't explicitly refer to it in my decision. This isn't meant as a discourtesy to Mr B but reflects the quick and informal nature of our service.
- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.
- The policy terms say Vitality is only liable for the cost of treatment which takes place before the last day of the period covered. Once cover ends, the policy says no further benefit is payable even if "a claim started before your cover ended, or...we have authorised treatment that is due to take place after your cover has ended..." This isn't an unusual term in this type of policy as Vitality has to have a cut off date.
- Vitality isn't responsible for when a procedure or treatment date is set by or postponed by a hospital. Hospitals are not an extension of Vitality. Vitality agrees to pay benefit for eligible treatment to Mr B in line with the terms and conditions. It isn't responsible for the service or treatment provided by the hospital. The agreement Vitality has with the hospitals covers things such as the benefit payable for certain treatment and what the hospital will charge.
- The terms and conditions between Mr B and Vitality make up the contract of insurance. Vitality is entitled to decide how and when it pays for benefit within the policy year and as the contract runs on an annual basis, I cannot fairly ask Vitality to pay for treatment outside the cover date, even if this was postponed due to no fault of Mr B.
- Vitality spoke and wrote to Mr B when he cancelled and confirmed that it wouldn't pay any invoices or claims for treatment that takes place after 6 April 2023.
- So overall, although I appreciate why Mr B feels it would be fair for Vitality to pay for treatment which was postponed, I don't think Vitality has done anything wrong. It has acted in line with its clear terms and conditions and provided clear guidance to Mr B explaining any further benefit after the cancellation date would not be paid.
- I note what Mr B says about insurers and pricing. This isn't something that has been investigated as part of this complaint. And I can only comment on the specifics of Mr B's complaint. There is no evidence that Vitality contacted the hospital to delay treatment. The treatment was delayed due to the hospital's policy which Vitality has no control over.
- I appreciate Mr B will be disappointed with my decision. But I don't think Vitality has done anything wrong, so I won't be asking it to pay his claim.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 March 2024.

Shamaila Hussain
Ombudsman