DRN-4730409

The complaint

Mr and Mrs U are unhappy with how Vitality Health Limited (Vitality) has dealt with Mrs U's claim on their private medical insurance policy.

Mrs U is the lead complainant so I will refer mainly to Mrs U in this decision although both Mr and Mrs U are joined on the policy and this complaint.

What happened

Mr and Mrs U took out a private medical insurance policy with Vitality in December 2022.

On 19 June 2023, Mrs U contacted Vitality for an urgent gynaecology referral due to the finding of a cyst which needed to be investigated quickly. She was concerned this could potentially lead to a condition more serious. Vitality set up the claim, but Mrs U didn't receive the claim form, so she contacted Vitality on 28 June 2023. The claim form was sent to her.

Mrs U returned the claim form to Vitality on 28 July 2023 as she had been away. She called Vitality to check that the form had been received and it said she's missed out ticking one box and the GP section had been missing.

Mrs U resent the form on 2 August 2023. Vitality contacted Mrs U on 9 August 2023 and said it needed medical records going further back. Further delays were caused as the form needed to be stamped by the GP so there was some back and forth. Finally, the form was sent to Vitality on 17 August 2023.

On 6 September 2023, Mrs U called Vitality as she hadn't heard back and was advised the claim had been approved. However, in the meantime, Mrs U had an appointment come through for August 2023 from an NHS consultant and she advised Vitality to deal with her claim urgently. However, Vitality said it couldn't approve the claim until it had all the required information.

By the time the claim was approved on 6 September 2023, Mrs U had started her treatment with the NHS. Her treatment and operation were completed in January 2024 with some follow up appointments arranged.

Mrs U was very unhappy with how Vitality handled her claim. She said it had failed her in the service it provided and would like to be compensated for this. It caused delays, by not providing the service expected, Vitality saved paying out for the cost of the treatment. She also has no choice but to stay with Vitality as no other healthcare provider will insure her for this condition. She also wants reassurance from Vitality to not increase her premiums unfairly.

Vitality looked into her complaint and acknowledged that it did make errors and the service it provided was poor. It apologised and offered Mrs U £250 in compensation for this.

Unhappy with the response, Mrs U brought her complaint to this service. Our investigator looked into it and agreed that Vitality's service was poor and said the £250 compensation

offered was fair and reasonable.

Mrs U provided further information and said the impact of the delays and the service provided meant that she had to seek treatment with the NHS when she already had a policy that provided cover in a private facility. The whole situation had caused her undue worry and stress and she wanted increased compensation.

Our investigator reviewed the information and recommended that Vitality offer £450 total compensation to Mrs U.

Vitality accepted the investigator's findings. Mrs U didn't agree and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS'). ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly.

I note that Mrs U said she would like reassurance from Vitality that premiums on her policy are not increased unfairly. I'm unable to comment on this point as this isn't something that's been raised with Vitality as part of this complaint.

I've carefully considered all of the information provided to me.

I can see Vitality has accepted that delays occurred. There was a delay in the initial sending of the claim form, and it failed to inform Mrs U that the claim had been approved.

I can also see that the medical information had to be re-requested as it was incomplete, and this also caused some delays.

Mrs U says £450 compensation is nothing compared to the amount Vitality saved at her expense. She also can't move to another health provider due to the condition being pre-existing. She feels overall Vitality has let her down.

I understand and have complete sympathy with how Mrs U must be feeling and I'm sorry for this. I can see the whole situation has caused her a lot of worry and stress. However, as I've said above, some of the delays were caused because the medical information wasn't fully completed and also during some of the time in July 2023, Mrs U was away and wasn't able to deal with chasing the claim form. So, while I can see both sides, and don't in any way doubt that delays were caused by Vitality, I also acknowledge that Vitality has accepted the failings.

Vitality has also accepted our investigator's recommendation to pay £450 compensation.

Mrs U says her condition is now regarded as pre-existing and she cannot get healthcare with another provider. I understand but had she made a successful claim with Vitality, the condition would still potentially be regarded as pre-existing in regard to future claims. So, either way, I don't think this makes a difference.

I understand Mrs U feels strongly about what happened. But overall, taking everything into

account, I'm satisfied that £450 compensation is fair and reasonable for what happened in the circumstances. I know that Mrs U will be disappointed but based on the information available, this is fair.

Putting things right

Vitality needs to put things right by:

- Paying Mrs U any outstanding compensation amounts that are due to her up to £450 for the worry and stress caused to her.

It must do this within 28 days of the date on which we tell it Mr and Mrs U accept my final decision. If it takes longer, Vitality must give Mr and Mrs U a meaningful update setting out the timeframe when they make the payment.

My final decision

For the reasons given above, I uphold Mr and Mrs U's complaint about Vitality Health Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs U and Mr U to accept or reject my decision before 23 May 2024.

Nimisha Radia
Ombudsman