

## **The complaint**

Mr P complains about Westfield Contributory Health Scheme's ('Westfield's') handling of a claim under his health cash plan.

All references to Westfield include the agents appointed to act on its behalf.

## **What happened**

Mr P was insured under a group health cash plan, underwritten by Westfield.

Mr P tried to make a claim under the policy for a number of scans. Westfield said not all of the scans were covered. Mr P then asked what the cost of him paying Westfield for the scan which wasn't covered by the policy would be. Westfield sent a series of emails which either didn't answer Mr P's queries or which were contradictory. Mr P complained about this, as well as about his difficulties in getting through to Westfield on the telephone and its failure to return voicemail messages.

Westfield said it couldn't access its agent's records, but that it understood its agents had resolved Mr P's complaint.

As Mr P remained unhappy, he brought the matter to the attention of our service. One of our investigators looked into what had happened and recommended that Westfield should pay Mr P £100 compensation for the distress and inconvenience he experienced.

Westfield accepted our investigator's opinion but Mr P didn't, so the complaint has been referred to me to make a decision, as the final stage in our process.

## **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.

Industry rules set out by the regulator say, amongst other things, insurers must handle claims promptly and fairly, must provide reasonable guidance to help a policyholder make a claim and shouldn't unreasonably reject a claim. I've taken these rules into account when making my final decision.

The terms and conditions of the policy which Mr P is insured under do not cover 'complex scans'. What is meant by 'complex scans' is set out on pages 16 and 17 of the plan guide. While Mr P's policy schedule doesn't mention 'complex scans', I'm satisfied that the plan guide is clear that these are excluded. An insurer is entitled to decide what level of risk it is prepared to accept when issuing a policy, so I don't think it was unfair or unreasonable for Westfield to conclude that not all of the scans which Mr P was claiming for were covered. However, I think Westfield could have explained the reasons for this to Mr P in a clearer way.

The policy goes on to say, in relation to 'complex scans', that Westfield may be able to offer free use of a scanner if the insured person pays for any extra costs. However, this is only if

Westfield can source a suitable facility and the policy specifically says that this service isn't guaranteed. I think it would have been reasonable for Westfield to have accurately explained this to Mr P from the outset. Instead, Westfield sent Mr P information which didn't answer his questions and which was, at times, contradictory. When Westfield did send Mr P quotes for scans, these were for the scans which would have been covered by the policy rather than for the 'complex scan' which Mr P was asking about.

I also note that Mr P experienced difficulties in contacting Westfield by phone, which have been acknowledged.

Overall, I'm not satisfied that Westfield handled Mr P's claim in line with industry rules, and I think it's clear from Mr P's correspondence with Westfield that this caused him frustration and inconvenience. So, I've moved on to consider what I think would be fair and reasonable compensation for the impact of the situation on Mr P.

I have no power to seek to punish or fine a business through an award of compensation and the Financial Ombudsman Service doesn't generally award compensation at a consumer's hourly or daily rate of pay. This is because it wouldn't be fair or reasonable to award higher compensation to higher paid individuals for errors of the same nature.

I understand Mr P's submissions that Westfield saved money in this case by not paying for the scans that were covered under the policy. While this may be a relevant consideration if Mr P had ended up paying for these scans himself, it's not something that I can fairly reflect in an award of compensation for the impact of Westfield's errors on Mr P.

I've taken into account Mr P's comments that he had to wait for the scans to be carried out on the NHS as a result of Westfield's actions but it's clear that Mr P thought it better to have all the scans carried out together and, based on the information I've seen, it seems unlikely that Westfield would ever have been able to arrange for the scan which wasn't covered to be carried out at Mr P's expense (and, as I've already explained, nor was it obliged to do so).

While dealing with an insurance claim will inevitably involve some element of inconvenience, I accept that Mr P experienced unnecessary and avoidable frustration and distress because of Westfield's actions. In deciding what level of compensation I think is fair and reasonable, I've taken into account the overall length of time Mr P was in correspondence with Westfield, what I think were multiple errors by Westfield and the fact that I don't think Westfield ever gave Mr P a clear answer to his questions about the 'complex scan' costs. I also don't think the content of Westfield's final response letter to Mr P was particularly helpful.

Overall, I'm satisfied that it would be fair and reasonable in the circumstances for Westfield to pay Mr P £100 compensation for the distress and inconvenience he experienced.

I'm aware that Mr P will likely be disappointed with this but, having taken into account our published guidance on the payment of compensation for distress and inconvenience, an award of compensation at the level Mr P is seeking isn't an award which I'd consider to be fair or reasonable in circumstances such as these.

### **Putting things right**

Westfield Contributory Health Scheme must put things right by paying Mr P £100 compensation for the distress and inconvenience he experienced.

Westfield Contributory Health Scheme must pay the compensation within 28 days of the date on which we tell it Mr P 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.

**My final decision**

I'm upholding Mr P's complaint about Westfield Contributory Health Scheme in part and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 4 September 2024.

Leah Nagle  
**Ombudsman**