

## **The complaint**

Ms J is unhappy with CIGNA Life Insurance Company of Europe SA-NV (CIGNA) because of the way it handled reimbursements for claims submitted on her international private medical insurance policy.

## **What happened**

Ms J has an international private medical insurance policy with CIGNA.

In June 2023, Ms J contacted CIGNA as she was having difficulty uploading her claim documents online. CIGNA provided Ms J with an email address to submit the claims. She emailed these on 27 June 2023. CIGNA acknowledged the documents were received but it would take longer than usual to process these due to the high volume of claims it'd received.

In July 2023, CIGNA asked Ms J for account details where reimbursements could be made. Ms J replied providing these details.

Ms J chased payments for her claims in November 2023 and CIGNA said these had been made on 8 November 2023. CIGNA then informed Ms J that while payments had been made, they had twice been unsuccessful. And Ms J subsequently chased these multiple times between November 2023 and January 2024.

In January 2024, Ms J called CIGNA again. She confirmed her account details were correct, but CIGNA was still having issues with transferring the payments and offered to do this manually at the next attempt. Ms J provided alternative bank account details so the payments could be processed.

In summary, the payments were unsuccessful a number of times. Ms J had to contact CIGNA each time to find out what the issue was with making the payments. CIGNA attempted to make the payments to the bank account Ms J had updated but following further communication, Ms J said CIGNA had entered the wrong account number for transferring the amounts. The last three digits were correct, but the full account number hadn't been entered correctly and further delays were caused because of this.

Payments were issued to this account on 19 January 2024 and 7 February 2024. There were still issues with this, but Ms J spoke to her own bank to find out the root of the problem and managed to get the monies transferred to her.

Ms J made a complaint to CIGNA. She was unhappy that significant delays were caused in receiving her claim payments and this had also impacted her receiving some pending

medical treatments. Ms J had contacted the customer service team multiple times to find out why the payments hadn't been made but further delays were caused as her concerns weren't properly looked into.

CIGNA issued a final response in February 2024. It apologised and said the standard of service it provided wasn't what should be expected, and feedback had been provided to the

relevant department. CIGNA also offered \$150 USD compensation for the distress caused to Ms J.

Unhappy with CIGNA's response, Ms J brought her complaint to this service. Our investigator upheld the complaint. He said overall, CIGNA provided poor customer service and significant delays were caused in making Ms J's claim payments. This had impacted Ms J and caused her distress. Our investigator recommended CIGNA pay a further £100 for the failings.

CIGNA accepted the investigator's findings.

Ms J didn't accept the findings and asked for the complaint to be referred to an ombudsman. So, it was passed to me.

In summary Ms J says:

- She had to contact CIGNA multiple times, and, in the end, she had to find out what had gone wrong so she could receive the payments which is unacceptable.
- Significant delays have been caused by CIGNA in making the payments.
- She had to delay two medical treatments that were scheduled for November 2023 and January 2024 because she still hadn't received the reimbursements. The payment of these treatments was reliant on the reimbursements Ms J was awaiting.
- She believes a distress payment is fair and reasonable for what happened but says that \$150 USD and £100 doesn't go far enough for CIGNA's failings.

I issued a provisional decision on 1 August 2024. I said the following:

*Industry rules set out by the regulator (the Financial Conduct Authority) say that insurers must handle claims promptly and fairly. I've taken these rules into account when making my final decision about Ms J's complaint.*

*At the outset I acknowledge that I've summarised this complaint in far less detail than Ms J has, and in my own words. I won't respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern our service allow me to do this as we are an informal dispute resolution service.*

*If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to fulfil my statutory function.*

*The key issue I need to decide on this complaint is whether the overall compensation offered by CIGNA and that recommended by our investigator is fair and reasonable in the circumstances of this complaint. Ms J says \$1000USD would be a reasonable amount of compensation for the distress and inconvenience caused to her by CIGNA's failings.*

*Having taken everything into account, I agree that claim payments should be paid within a reasonable period and for Ms J to have expected payment promptly and fairly from CIGNA. And because this didn't happen as it should have, there's been an impact on Ms J.*

*I note that CIGNA has accepted its failings and said significant delays were caused in making the payments and when the issues were highlighted to it, it didn't investigate it properly. CIGNA has also accepted that Ms J had to contact it multiple times and that distress and inconvenience was caused to her.*

*Ms J first submitted her claims information in June 2023. She eventually received payments*

*for those in February 2024 and this happened because Ms J had to herself investigate what had gone wrong. She had to chase CIGNA multiple times and, from what I can see, there was little communication from CIGNA to update her, or find out exactly what had gone wrong. CIGNA entered the wrong bank account number and ultimately, Ms J made her own arrangements to get the payments transferred across to her correct account.*

*There's no doubt here that CIGNA failed Ms J and it caused significant delays in making the claim payments to her when it should have been a fairly simple process. And as I've said above, there's no dispute from either party that CIGNA could have done better.*

*I'm satisfied that CIGNA provided inadequate customer service, with poor communication and caused unnecessary delay. Additionally, Ms J has provided information that she was awaiting medical treatment and was reliant on the reimbursements to fund the treatment. As mentioned above, the matter at hand is what would be an appropriate level of compensation.*

*In response to the investigator's findings, Ms J explained that his recommendation of £100 is an insufficient amount. I understand why she thinks this. However, it is not our role to punish the business. Awards of compensation are primarily to reflect the impact on the consumer. I acknowledge Ms J's comments that the impact she has suffered means a compensation award of \$1000 USD would be sufficient to resolve the complaint for her. While I agree there has been an impact on her, I don't agree that \$1000 USD fairly reflects that impact.*

*I have a great deal of sympathy for the situation Ms J found herself in. And I can understand why she believes she should receive a more significant amount for the distress and inconvenience she has suffered. However, as an alternative dispute resolution service, our awards are lower than she might expect and probably less than a court might award.*

*Having thought very carefully about everything, while I know that Ms J will be disappointed, I consider that in addition to the \$150 USD CIGNA offered, my intention is to recommend CIGNA pay a further £250 compensation. Overall, I think this reflects a fair and reasonable award for the distress and inconvenience caused in the circumstances here.*

Ms J responded to my provisional decision and accepted it.

CIGNA responded and said it had no further comments to add.

### **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, as neither party has provided any further comments or arguments, I see no reason to depart from what I've said in my provisional decision. I therefore uphold Ms J's complaint.

In summary, in the circumstances of this complaint, I recommend CIGNA pays a further £250 compensation for the distress and inconvenience caused to her. This is addition to the \$150USD CIGNA has already offered. I think this is fair and reasonable.

### **Putting things right**

I direct CIGNA to do the following:

- Pay Ms J £250 compensation in total for the distress and inconvenience caused to her.

- The £250 award is in addition to the \$150 USD that CIGNA has already offered. If CIGNA hasn't paid this amount to Ms J, it should now do so.

CIGNA must make the payments within 28 days of the date on which we tell it Ms J accepts my final decision. If it takes longer, CIGNA must give Ms J a meaningful update setting out the timeframe when it will make the payments as outlined above.

### **My final decision**

For the reasons given above, I uphold Ms J's complaint about CIGNA Life Insurance Company of Europe SA-NV. It must put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 3 September 2024.

Nimisha Radia  
**Ombudsman**