

The complaint

Mrs C is unhappy that Vitality Health Limited didn't pay a claim made under her private medical insurance policy ('the policy') in full.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

Vitality has an obligation to handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

I'm not persuaded that Vitality has acted fairly and reasonably by only settling part of the claim made under the policy for treatment costs relating to diastasis recti. I'll explain why.

- Subject to the remaining terms of the policy, Vitality does cover hospital fees and surgical procedures. Vitality has provided internal guidance which says it would look to decline treatment for diastasis recti. However, it goes on to say that treatment will be covered if the medical information received confirms that the condition isn't associated with pregnancy and not for cosmetic/aesthetic purposes.
- Vitality has said that Mrs C's GP couldn't say the condition was unrelated pregnancy. However, I'm satisfied that the medical evidence received from Mrs C's GP reflects that she was examined multiple times between 2016 and 2023 and a diastasis was not seen at these times. Given this, and the age of Mrs C's children, I think it's unlikely that this condition was associated with pregnancy. Vitality has also said when responding to our investigator's view (upholding the complaint), that it's unlikely it was related to pregnancy and that's also reflected in its internal notes from around the time of assessing the claim.
- Vitality says that it made a business decision to partially pay the claim rather than declining it in full because its complex team concluded, based on the available clinical information, that a hernia was developing through Mrs C's recti. As such, it covered the costs it would usually pay for treatment relating to a hernia. Vitality has provided a snippet for the total average cost it would usually pay for a hernia procedure which is around the same amount it paid Mrs C in settlement of her claim. That was £1,350 less than the amount Mrs C was invoiced for open repair of diastasis recti. I'll refer to the sum of £1,350 as "the outstanding balance".
- In the circumstances of this case, I don't think it's fair and reasonable for Vitality to rely on the average amount it pays for a hernia procedure when settling the claim. Mrs C had treatment for diastasis recti, not a hernia repair. Further, although Vitality has told us the average cost it pays for a hernia procedure, it hasn't explained why

the amount Mrs C was invoiced was too high with reference to the individual circumstances of this case.

- Vitality has also said that there were also cosmetic elements in relation to her surgery which is another reason it isn't covering the costs claimed in full.
- The medical evidence supports that Mrs C's diastasis recti is linked to some physical health issues she experienced. But it isn't disputed that Mrs C also underwent lipo-abdominoplasty at the same time.
- However, I'm satisfied that Mrs C was charged separately for lipo-abdominoplasty as reflected on the invoice dated November 2023. This cost a further £7,592.50 in total and doesn't form part of the claim she made under the policy. And based on what I've seen, I'm satisfied that the total amount charged for open repair of diastasis recti didn't include any of the cosmetic elements.
- Therefore, I'm satisfied that it isn't fair and reasonable for Vitality to reduce the amount charged, and Mrs C paid, for the repair of diastasis recti and it should pay the outstanding balance to Mrs C.

Putting things right

On the basis that Mrs C has paid the medical fees for diastasis recti, I direct Vitality to pay:

- the outstanding balance to Mrs C; and
- simple interest at a rate of 8% per year*, calculated from a month after the claim was made under the policy to the date the outstanding balance is settled.

*If Vitality considers it's required by HM Revenue & Customs to take off income tax from any interest paid on this amount, it should tell Mrs C how much it's taken off. It should also give her a certificate showing this if she asks for one. That way Mrs C can reclaim the tax from HM Revenue & Customs, if appropriate.

My final decision

I uphold Mrs C's complaint and direct Vitality Health Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 22 October 2024.

David Curtis-Johnson
Ombudsman