

## **The complaint**

Mrs S complains that BUPA Insurance Limited won't refund the premiums she paid for a personal private medical insurance policy.

## **What happened**

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the key events.

Mrs S has held a personal private medical insurance policy with BUPA for many years.

In January 2024, Mrs S' consultant, who I'll call Mr C, told her that she needed surgery. Mr C is a fee-assured consultant with BUPA, which means charges are pre-agreed by both parties by contract. Mrs S made a claim on her policy for the surgery. BUPA accepted the claim and provided Mrs S with an authorisation code.

However, it later became clear that Mr C planned to charge significantly more for Mrs S' surgery than the cost agreed under the contract between him and BUPA. So BUPA asked Mr C to explain the reasons for the uplift in cost. The information Mr C went on to provide BUPA wasn't enough to answer its questions and so it asked him for more information. Mr C went on to tell BUPA that he believed that due to the complexity of the surgery Mrs S required, it should instead be carried out by the NHS.

Mrs S was very unhappy with the way BUPA had handled her claim. In brief, she said the matter had caused her significant distress and upset; she wasn't responsible for any dispute between Mr C and BUPA and that BUPA's actions had led to her being unable to undergo pre-authorised surgery. She felt that BUPA had failed to provide the cover she had paid for and she requested a refund of the premiums she'd paid for the policy year.

Ultimately, BUPA maintained that it hadn't acted unreasonably when it asked Mr C for more information. It also gave Mrs S an opportunity to undergo treatment on the NHS and claim policy cash benefit or to seek a second opinion with another consultant. So it didn't agree to refund the premiums she'd paid. However, it did pay Mrs S £1000 compensation for delays in its handling of her claim and to recognise its poor service.

Mrs S remained unhappy with BUPA's stance and she asked us to look into her complaint.

Our investigator thought that BUPA had acted in line with the policy terms. He didn't think it had refused to cover Mrs S' claim and so he didn't think it would be fair to tell BUPA to refund Mrs S' premiums. He did think the service BUPA had provided to Mrs S had caused her significant trouble and upset though, and therefore, he felt it had been appropriate for it to pay her compensation. In the circumstances, he concluded that the compensation BUPA had already paid Mrs S was fair and reasonable.

Mrs S disagreed and so the complaint's been passed to me to decide.

## **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, whilst I'm very sorry to disappoint Mrs S, I think BUPA has already settled her complaint fairly and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. I've taken those rules into account, together with other relevant considerations, such as regulatory principles, industry guidance and the policy terms, to decide whether I think BUPA treated Mrs S fairly.

### *Should BUPA refund the premiums Mrs S paid?*

The terms of Mrs S' contract with BUPA say that in return for the payment of policy premiums, BUPA will provide private medical cover in line with the policy terms.

It's clear how strongly Mrs S feels that given the circumstances, BUPA has failed to provide her with the private medical cover she paid for. I've considered this carefully.

Both parties agree that when Mrs S called for authorisation for the surgery, BUPA provided her with a code. This is in line with BUPA's usual process when it agrees to cover the costs of treatment. In this particular case, BUPA had a contract with Mr C which agreed the costs it would pay for treatment. I've seen nothing to suggest that if Mr C had planned to charge the cost he had agreed with BUPA, it wouldn't have covered the claim in full.

Instead, Mr C indicated that he planned to charge significantly more than the agreed limits. So I don't think it was unfair or unreasonable for BUPA to ask Mr C for evidence which set out why he was charging more than the price the parties had agreed. It's unfortunate that it took a couple of weeks for Mr C to return the 'uplift' form BUPA had asked for. And it's also unfortunate that even when he did, it didn't contain all of the information BUPA needed.

Given BUPA did ask Mr C for more information to explain the rationale for his costings, it seems to me that it was still 'on risk' for Mrs S' claim. It hadn't declined the claim – it appears it simply wanted to understand why Mr C intended to charge more than the price agreed by the parties. Had the surgery gone ahead at this point, it's possible that any outstanding costs over and above BUPA's contractual liability may have been charged to Mrs S. I think it was reasonable for BUPA to ensure that Mrs S didn't incur any expenses here.

Ultimately, Mr C told BUPA that he considered that given the complexity of the surgery Mrs S needed, the NHS would be a more suitable option. It isn't clear why Mr C changed his mind about the best surgical route for Mrs S, but I can't hold BUPA responsible for any clinical decision Mr C made.

Despite Mr C's altered position, I can see that BUPA still offered Mrs S the chance to seek an opinion from another consultant, to provide her with an opportunity to undergo the surgery privately. Again then, it seems to me that BUPA showed its willingness to cover Mrs S' treatment costs under the terms of the policy. And it also explained that if Mrs S did undergo surgery on the NHS, she could claim NHS benefit under the contract terms.

As such then, while I can understand why Mrs S may feel that BUPA rescinded its agreement to cover treatment, I don't think I could fairly find this was the case. From all I've seen, BUPA sought to seek a way forward with Mr C and ultimately, offered Mrs S the chance to seek a second opinion. So I think it handled the claim fairly and in line with the

policy terms, taking into account its contract with Mr C.

This means that whilst I'm sorry to disappoint Mrs S, I don't think there are any reasonable grounds upon which I could direct BUPA to refund her policy premiums.

*Has BUPA paid fair compensation?*

BUPA acknowledges that it didn't handle Mrs S' claim as well as it should have done. There were clear delays in it assessing information; failures to call Mrs S back when it said it would and Mrs S had to call repeatedly for updates. Mrs S has told us about the impact these failings had on her at an already worrying time and I don't doubt that BUPA's errors here caused Mrs S significant, avoidable distress and inconvenience. In the circumstances, I think BUPA should have taken steps to ensure it proactively contacted Mrs S to let her know what was going on.

Given its recognised failings, BUPA ultimately paid Mrs S £1000 compensation. I understand Mrs S doesn't feel this award addresses her complaint. But in my view, this was a very fair and reasonable compensatory payment to reflect the impact of its claims handling errors on her. And, as I don't think BUPA was responsible for Mrs S's surgery not proceeding as planned, I don't consider I could reasonably direct it to pay anything more.

So whilst I sympathise with Mrs S' position and I'm sorry to hear that she's been through such a difficult and worrying time, I find that BUPA has already settled her complaint fairly.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 11 November 2024.

Lisa Barham  
**Ombudsman**