DRN-5081500

The complaint

Mr R is unhappy that BUPA Insurance Limited (BUPA) declined his private medical insurance claim.

What happened

Mr R has a private medical insurance policy with BUPA.

In April 2024, Mr R received pre-authorisation from BUPA for treatment to his knee.

Mr R had the treatment in May 2024. He called BUPA to find out about invoices he'd been asked to pay. Mr R was informed he'd exceeded his annual out-patient limit. Mr R was unhappy that he'd not been informed about this previously and made a complaint to BUPA.

BUPA agreed that it hadn't made Mr R aware of the out-patient limit on his policy and therefore covered payments totalling £362.28 as a gesture of goodwill.

Mr R had a follow-up consultation for his knee in June 2024. BUPA declined to cover this payment as it said Mr R was informed in May 2024 that any future claims wouldn't be covered.

Unhappy, Mr R brought his complaint to this service. Our investigator upheld the complaint. He said whilst BUPA did say that future claims wouldn't be covered. It didn't make it clear enough that the follow-up consultation wouldn't be covered. So, he recommended that BUPA settle the claim for the consultation and add 8% simple interest per annum.

BUPA disagreed and asked for the complaint to be referred to an ombudsman.

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 relevant rules and industry guidelines say that insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Mr R's complaint.

The key issue for me to determine is whether I think it's fair and reasonable that BUPA declined Mr R's claim for the follow-up consultation based on the available evidence.

Both parties have accepted that there is an out-patient limit of £500 that applies to Mr K's policy.

And having listened to the call recordings provided by BUPA, the advisor confirmed that any future claims Mr R made on his out-patient benefit wouldn't be covered. Mr R accepted this on the call dated 21 May 2024.

I've listened carefully to the call of 21 May 2024 as this seems to be the one in dispute. I agree there is some confusion. There's no doubt from either party that future claims wouldn't be covered. But based on Mr R's understanding, he was informed that he had pre-authorisation for a '*3 in 1 bundle'* in April 2024.

I've seen the confirmation Mr R received in April 2024. This said that Mr R had pre-authorisation for a '*3 in 1 bundle for initial appointment, minor tests and follow-up'*. And *'inclusive charges for out-patient MRI scan'*. So, in Mr R's mind, he thought that he was always covered for the three aspects: the initial appointment, minor tests and a follow-up. The advisor on the call said MRI scans weren't part of the out-patient limit so Mr R had cover for this. So, I think there's clearly some confusion about whether the follow-up consultation was covered and I can't see that this was specifically addressed in the call even though Mr R did say that as far as he was aware, he's already got the pre-authorisation for the '*3 in 1 bundle'*. There's also no further clarification sought from the advisor and the call ended with both parties understanding that future claims wouldn't be covered. Whilst that is the case, on balance, I don't think BUPA did enough to explain to Mr R that it would only cover invoices for treatment that Mr R had already received. And I don't think the advisor made it sufficiently clear to Mr R that the follow-up consultation wouldn't be covered.

Mr R thought because he'd received pre-authorisation for this, he went ahead with his follow-up consultation. I think if he'd clearly been informed this wouldn't be covered, it's likely he wouldn't have gone ahead with the appointment.

Overall, therefore, I don't think BUPA's communication was clear enough and I think it declined the claim unfairly. BUPA should therefore settle the claim in line with the remaining terms and conditions of Mr R's policy.

Putting things right

BUPA needs to put things right by:

- Settling Mr R's claim in line with his remaining policy terms and conditions.
- *Adding 8% simple interest per annum one month from the date of the claim to the date of payment.

It must do this within 28 days of the date on which we tell it Mr R accepts my final decision. If it takes longer, BUPA must give Mr R a meaningful update setting out the timeframe when it will settle the claim.

* If BUPA Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from any interest paid, it should tell Mr R how much it's taken off. It should also give him a certificate showing the amount deducted, if requested, so he can reclaim it from HM Revenue & Customs if appropriate.

My final decision

For the reasons given above, I uphold Mr R's complaint about BUPA Insurance Limited.

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

Nimisha Radia
Ombudsman