

The complaint

Mr L and Ms L are unhappy that Vitality Health Limited (Vitality) declined a claim on their private medical insurance policy.

What happened

In July 2023, Mr L and Ms L took out a private medical insurance policy, with no personal medical exclusions applied. Vitality is the underwriter on the policy.

In April 2024, Ms L had a video consultation using the virtual GP service provided through her Vitality policy. The GP provided a referral letter to Ms L for further investigation because of issues she was having due to insomnia.

Mr L and Ms L submitted a claim to Vitality. It declined the claim as insomnia wasn't covered under the policy. Vitality explained that insomnia is excluded from cover in the policy terms and conditions as it's considered to be a general exclusion.

Unhappy, Mr L brought his complaint to this service. Our investigator didn't uphold the complaint. She didn't think insomnia was covered under the policy terms and conditions.

Mr L disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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 insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly.

I note that Mr L and Ms L say that the transition arrangements and limits on cover for existing conditions weren't explained or highlighted to them. This relates to the sale of the policy and Vitality isn't responsible for this. I therefore can't comment on this point as I'm only looking at the claim decline which forms part of this complaint and which Vitality is responsible for.

I've started by looking at the terms and conditions of Mr L and Ms L's policy as they form the basis of their contract with Vitality.

Page 31 of the policy sets out the '*Exclusions – what's not covered*' on the policy. This confirms that Vitality will not pay claims relating to treatment for sleep apnoea, insomnia and other related conditions.

I've considered the referral letter the GP provided. The problem is noted as chronic insomnia. The letter confirms that Ms L has long-standing issues with insomnia and feels it is a primary sleep issue. And given the extent of treatment failure and impact on her life, the GP advised referral to a sleep clinic.

On the basis of the exclusion applied on the policy and the GP referral letter, I'm satisfied that the claim isn't covered under Mr L and Ms L's policy.

I note Mr L's comments that Ms L had a referral from a virtual GP who they used as part of their policy – so this should mean that the claim is covered. However, just because a Vitality virtual GP was used for the initial consultation that doesn't mean there is automatic cover under the policy. A referral is required as part of the claim validation process to ascertain the medical issue.

Mr L has also said that he was assured when the policy was transferred that any pre-existing conditions would be covered. I appreciate this but this isn't the same as having a general exclusion on the policy. It's clear in the policy terms and conditions that insomnia isn't covered on the policy. This is regardless of any pre-existing conditions. So, I'm satisfied that Ms L has no cover for insomnia under her policy.

Overall, in the circumstances of this complaint, I don't think Vitality declined the claim unfairly. I'm sorry to disappoint Mr L and Ms L. It follows therefore that I don't require Vitality to do anything further.

My final decision

For the reasons given above, I don't uphold Mr L and Ms L's complaint about Vitality Health Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Ms L to accept or reject my decision before 3 February 2025.

Nimisha Radia
Ombudsman