

The complaint

Miss L and Mr Y complain about the way BUPA Insurance Limited has handled claims they made on 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.

Miss L and Mr Y hold a personal private medical insurance policy with BUPA. Their annual policy year began in March 2024.

In March 2024, Miss L underwent outpatient treatment, which BUPA authorised. As Miss L and Mr Y's policy provided full out-patient cover, Miss L believed all of her costs would be paid. However, BUPA told the treatment provider that Miss L needed to pay £75 towards the treatment and the treatment provider therefore requested payment from Miss L. So, in May 2024, Miss L complained about BUPA's error. It acknowledged its mistake and it paid Miss L £50 compensation.

Mr Y was referred for specialist investigation to assess whether he had a processing disorder. In June 2024, he asked BUPA to authorise the costs. However, he was provided with conflicting information by BUPA and he spent some time on its live chat trying to resolve things. BUPA ultimately told Mr Y that he'd be covered for a consultation into a potential processing disorder but that any further treatment wouldn't be covered. It apologised for the conflicting information it had given him and it paid him £50 compensation. It also paid him another £50 to reflect the delays he'd experienced on its live chat.

In late June 2024, BUPA sent Mr Y and Miss L a letter which said special conditions had been applied to their policy. After Mr Y and Miss L complained, BUPA acknowledged that the conditions shouldn't have been added to the policy and it removed them. It paid Mr Y and Miss L £50 compensation.

Subsequently, in late July 2024, Miss L spoke with BUPA's remote GP regarding concerns she had about a potentially serious hereditary condition. She says the GP told her that this condition would likely be covered. However, when Miss L went on to make a claim, she learned this wasn't the case. She was unhappy with the misinformation from the virtual GP and with delays she experienced in dealing with BUPA's live chat. While BUPA said it wasn't responsible for any misinformation which had been given by the virtual GP, it paid Miss L compensation of £50 to reflect the delays in its live chat.

And in August 2024, Mr Y complained again because he was unhappy about further conflicting information he'd been given regarding cover for the potential processing disorder. BUPA apologised for the service Mr Y had received and it paid him additional compensation of £50. It also clarified that Mr Y would authorise cover for any treatment he received up until the point he received a diagnosis.

Mr Y and Miss L were unhappy with BUPA's position. They didn't feel the compensation it

had paid them was sufficient to recognise the trouble and upset they'd been caused. They asked us to look into their complaint.

Ultimately, our investigator concluded that the total compensation of £300 which BUPA had already paid Mr Y and Miss L was fair and reasonable to reflect the errors it had made. So he didn't think it needed to pay them anything more.

Mr Y and Miss L disagreed. In brief, they didn't think £300 captured the distress and inconvenience they'd been caused, especially taking into account Mr Y's existing medical conditions. They felt there'd been multiple failings by BUPA, they'd wasted a lot of time in dealing with things and they said this had had a real impact on their mental health. Therefore, they felt compensation of around £500-1000 (if not more) would be more appropriate.

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 sorry to disappoint Mr Y and Miss L, I think BUPA has already settled their complaints fairly and I'll explain why.

First, I'd like to reassure Mr Y and Miss L that whilst I've summarised the background to their complaint and their detailed submissions to us, I've carefully considered all that's been said and sent. In this decision though, I haven't commented on each point that's been raised and nor do our rules require me to. Instead, I've focused on what I think are the key issues.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. I've taken those rules into account, amongst other relevant considerations, such as regulatory principles, the policy terms and the available evidence, to decide whether I think BUPA has treated Mr Y and Miss L fairly.

It's clear that Mr Y and Miss L haven't had a smooth claims or administrative journey with BUPA. It's also clear that BUPA accepts there have been unacceptable delays in its response times via its live chat function and that it's made mistakes when it's administered Mr Y and Miss L's policy and claims they've made on it. It's already paid Mr Y and Miss L total compensation of £300 to reflect the impact of those errors, as well as apologising for its mistakes and giving feedback to its staff members. So I've gone on to consider whether I think BUPA has done enough to put things right.

Policy administration

In June 2024, BUPA wrote to Mr Y and Miss L to say that it had added special conditions to their policy. These special terms meant that Mr Y and Miss L had had exclusions added to the contract, which stated that certain medical conditions wouldn't be covered. However, BUPA subsequently said the conditions shouldn't have been added to the policy.

I don't doubt that this matter caused Mr Y and Miss L some confusion, frustration and upset. And I appreciate they spent some time trying to get BUPA to put things right. But BUPA removed the conditions a few days after it learned about the mistake; it apologised; passed on feedback to the claims team and paid Mr Y and Miss L £50 compensation. In my opinion, these were fair and appropriate responses from BUPA to reflect what I think the impact of its mistakes were during a relatively short period of time.

Miss L's claims

I can see from Miss L's policy certificate that she and Mr Y held full outpatient cover. But it's clear that she was asked to pay £75 towards the cost of outpatient treatment by the provider and received payment reminders from them. BUPA accepts that Miss L wasn't responsible for paying the £75 charge. I don't doubt that it caused Miss L unnecessary worry and upset when she was asked to pay £75 for treatment when she wasn't expecting to do so and when she received payment reminders. And I think she was put to unnecessary time in contacting BUPA to attempt to resolve things.

In my view, it was reasonable and appropriate for BUPA to apologise for its mistake and to pay Miss L compensation. Given the reasonably modest value of the claim though and given BUPA responded promptly to Miss L's concerns, I think the £50 compensation it's already paid was fair, reasonable and proportionate.

Miss L was also unhappy because she said BUPA's virtual GP had wrongly told her she'd be covered for psychiatric support due to a risk of developing a serious hereditary illness. She later learned that this wasn't the case. Again, I don't doubt how upsetting this was for Miss L, especially given Mr Y says she was already suffering from symptoms of anxiety. But it seems that even if the virtual GP did give Miss L the wrong information, BUPA let her know the treatment wouldn't be covered within four days. And it paid £50 for the trouble and inconvenience she'd been caused because of the delays she'd experienced while using its web chat service. It also passed on details of her complaint to the virtual GP provider. Again, I'm satisfied BUPA took fair, reasonable and proportionate actions to resolve Miss L's complaint.

Mr Y's claim

It's clear that Mr Y experienced some difficulties with BUPA's claims team and with its live chat service. Mr Y had already received two diagnoses and was under referral to investigate whether or not he had a processing disorder. I can see from BUPA's live chat service that not only was Mr Y provided with conflicting information about whether or not a consultation for that disorder would be covered; he also experienced significant delays in being able to get in touch with BUPA and get the information he needed. On 20 June 2024, BUPA paid Mr Y £50 to compensate him for the conflicting information he'd been given during the live chat. It clarified that Mr Y would be covered for a consultation which might diagnose the disorder, but not for any treatment afterwards. And a week later, it paid him a further £50 to apologise for the delays he'd experienced with its web chat.

Unfortunately, it seems that in late August 2024, Mr Y was again given conflicting information about what BUPA would pay for in terms of the processing disorder. Given the previous difficulties he'd had with BUPA surrounding this issue, I appreciate this is likely to have caused Mr Y additional upset and frustration. Two days later, BUPA issued a final response letter, which stated that it would cover Mr Y's treatment up until the point he was given a diagnosis. And it paid him a further £50 compensation.

As I've said, I appreciate BUPA has made mistakes when it handled this claim and that there have been a number of unnecessary delays. I've borne in mind Mr Y's existing health conditions and how the errors BUPA made may have made him feel. But, in the round, I think the £150 it's already paid him to reflect the impact of the mistakes it's made in the overall handling of this claim are fair and reasonable, taking into account the fact that I think the errors were promptly resolved. Our role isn't to punish or fine the businesses we cover and I'm satisfied that the compensation BUPA has already paid here is appropriate and proportionate.

Summary

I acknowledge that Mr Y and Miss L have been through a difficult time and I was sorry to read about the problems they've experienced. But, as I've explained, I think BUPA has already taken reasonable steps to put things right. And I find the £300 total compensation it's already paid them is a fair and appropriate amount to reflect the trouble and upset I think Miss L and Mr Y have likely been caused. So it follows that I'm not telling BUPA to pay or do anything more.

My final decision

For the reasons I've given above, my final decision is that BUPA has already settled this complaint fairly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L and Mr Y to accept or reject my decision before 30 December 2024.

Lisa Barham
Ombudsman