

The complaint

Mrs H complains that Western Provident Association Limited (“WPA”) hasn’t paid a claim she made under a private health insurance 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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn’t unreasonably reject a claim. I’ve taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mrs H’s complaint.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- Mrs H specifically wanted to make sure the consultant she wanted to see was covered by her policy when she called WPA on 5 December 2023 to authorise treatment. WPA confirmed they were, but it didn’t let Mrs H know that treatment at a hospital the consultant worked at wasn’t covered by the policy as it was a premium hospital. WPA has accepted it should have let Mrs H know about this during this call.
- It’s clear that Mrs H only wanted to go ahead with seeing this consultant if they were covered by her policy. And it’s understandable why she didn’t want to change consultants later, after having gone through consultations and tests in preparation for a surgery with that consultant. I’ve taken this into account when considering if WPA should do more, to put things right.
- The terms and conditions of Mrs H’s policy set out that treatment in a premium hospital wasn’t covered, and a list of premium hospitals includes the one where Mrs H was receiving treatment at. And when WPA sent Mrs H a letter on 5 December 2023 authorising treatment, it said the following: *“Your specialist does have a history of working from premium hospitals in some cases. Please be aware your scheme does not provide benefit for treatment that takes place at a premium hospital.”* So, I’ve also taken into account that WPA’s policy terms, and authorisation letter, do set out that treatment at a premium hospital isn’t covered.

- The consultant completed a form for WPA on 5 December 2023, in which they set out what further tests were needed, the anticipated treatment plan, and where the treatment would take place. The anticipated treatment plan was the surgery Mrs H underwent, and the consultant said the treatment would take place in a hospital which was a premium hospital under the policy. Following this, WPA sent Mrs H a letter on 8 January 2024 confirming the claim was covered, subject to the policy terms. I think Mrs H reasonably expected her claim, including the surgery, to be authorised at this point.
- When Mrs H called WPA on 1 March 2024 to query an invoice that hadn't been paid, WPA said the claim wasn't covered as the treatment was taking place at a premium hospital. Mrs H was naturally upset by this, as the claim had been authorised and she was due to have the surgery on 8 March 2024. She had also made personal arrangements for the surgery to take place on that date. Mrs H asked WPA to contribute towards the cost of the treatment at the premium hospital.
- WPA said on 4 March 2024 that it would pay for the tests and investigations it had authorised, in line with the policy terms and conditions. It said it would also pay up to £700 towards the consultant fee, and up to £425 towards the anaesthetist fee, in line with the policy terms and conditions. And it would contribute £5,000 towards the surgery costs. WPA said this was based on the average cost of this surgery at a non-premium hospital being £4,500 plus £500 in recognition of the service it had given.
- Based on the information WPA has provided, I'm satisfied the £4,500 contribution fairly reflects an average cost of this surgery in a hospital near Mrs H, as well as in hospitals near the premium hospital Mrs H had chosen, that would have been covered under the policy. I think this was a fair offer from WPA, considering Mrs H preferred to go ahead with the surgery as planned at this point.
- Firstly, Mrs H's policy doesn't cover treatment in a premium hospital. And WPA told Mrs H this before the surgery took place. So, she had the option to carry on with the treatment elsewhere. I appreciate this would have been distressing and inconvenient, but I can't ignore the fact that Mrs H chose to go ahead with the surgery, knowing the amount WPA was willing to contribute towards it.
- Considering everything, I think WPA has acted fairly and reasonably in the circumstances of Mrs H's complaint. It told Mrs H before the surgery was due to take place that this wasn't covered by her policy. But considering the circumstances, it offered to pay the average amount it would likely pay for this surgery in a hospital that was covered by the policy. WPA also paid for all the tests and investigations, as well as the consultant and anaesthetist fee, at the premium hospital in line with the policy terms and conditions.
- Lastly, WPA paid an additional £500 to recognise the service it had given. I think this fairly reflects the worry and frustration Mrs H went through. I make no further award for the distress and inconvenience caused.

My final decision

My final decision is that I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 February 2025.

Renja Anderson
Ombudsman