

The complaint

Mr S is unhappy that Aviva Insurance Limited (Aviva) declined his private medical insurance claim. He's also unhappy with the service and communication provided by Aviva.

Mr S is being represented by his wife, Ms K, on this complaint.

What happened

In June 2023, Mr S took out a private medical insurance policy jointly with his wife. Aviva is the underwriter of the policy.

In March 2024, Ms K contacted Aviva to seek authorisation for Mr S to see a specialist. This was approved. The specialist, however, changed the hospital location for his initial consultation. Some confusion in communication was caused about whether cover would be provided. The appointment went ahead, and Mr S had an ultrasound scan in May 2024, and the claim was submitted. Aviva declined it due to the hospital not being on the list providing cover under the policy.

Mr S was then admitted to an A&E department in the NHS hospital in June 2024. Ms K contacted Aviva on 3 July 2024 to ask about the options available to transfer Mr S to a private hospital. Mr S was discharged on the basis that he'd be moving to a private hospital, but they were then informed this wasn't an option. As Mr S had already discharged himself from the NHS hospital, they couldn't be re-admitted. Ms K contacted Aviva to follow-up and to request help. Mr S remained without the care or treatment due to the errors in communication and Ms K says his health is deteriorating.

Ms K made a complaint to Aviva. It maintained its position to decline the claim and apologised for the service it provided and offered £200 compensation.

Unhappy, they brought the complaint to this service. At this point, Aviva reviewed the complaint and said whilst the ultrasound scan shouldn't have been covered, this wasn't addressed clearly in the final response. So, it offered to pay for the cost of the scan.

Our investigator looked into the complaint. She upheld the customer service aspect of the complaint and recommended Aviva to pay an additional £200 compensation, making a total of £400 compensation.

Ms K didn't agree 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've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Mr S's complaint.

I've noted that Ms K has accepted the offer from Aviva to settle the claim for the cost of the ultrasound scan. This isn't an issue that's in dispute now and I therefore won't be commenting on this further except that if Aviva hasn't already paid this then it should now do so.

The issue remaining for me to therefore determine is the service Aviva provided with regards to moving Mr S from an NHS hospital to a private hospital. Ms K doesn't think £400 is sufficient compensation for the distress and inconvenience caused to Mr S.

Mr S was admitted to an NHS hospital in June 2024 when he went to A&E. Ms K called Aviva on 3 July 2024, and she was informed she could move him to a private hospital. Ms K contacted Aviva over the next few days to make the transfer arrangements and was then informed that Aviva had made an error about him being able to move to a private hospital. By this point, Mr S had discharged himself and he couldn't be re-admitted to the NHS hospital.

Having reviewed everything, it's clear the service and communication by Aviva could have been better. I've considered that the situation is challenging and has been frustrating for Mr S. I'm therefore satisfied that Aviva provided inadequate customer service, with poor communication and causing unnecessary stress which has impacted Mr S's health.

In response to the investigator's findings, Ms K said the recommendation of £400 compensation was an insufficient amount. However, it's not our role to punish the business. Awards of compensation are primarily to reflect the impact on the consumer.

I have a great deal of sympathy for the situation Mr S has found himself in. And I can understand why he believes he should receive a more significant amount for the distress and inconvenience caused to him. However, as an alternative dispute resolution service, our awards are lower than he might expect and probably less than a court might award.

I acknowledge Ms K's comments that Mr S has had to go abroad to get a diagnosis for his condition. But I don't think this is something I can make Aviva responsible for. I do think Aviva could have provided better communication and service but the decision to travel abroad for a diagnosis is one that was made by Mr S of his own accord.

Having thought carefully about what Mr S has said, I consider that £400 total compensation is fair and reasonable for the distress and inconvenience caused. Making an insurance claim inevitably involves an element of inconvenience for the policyholder. However, I also understand and considered that Aviva didn't always handle the claim and provide the service it ought to have.

Putting things right

Aviva needs to put things right by:

- Paying Mr S £400 total compensation for the distress and inconvenience caused by its claim handling and poor communication.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 March 2025.

Nimisha Radia
Ombudsman