

The complaint

Mr C and Mrs T complain about the sale of a private medical insurance policy by Aviva Insurance Limited, and its decision to turn down a claim.

What happened

Mr C holds private medical insurance cover with Aviva. He is the main policyholder, though the policy covers other family members, including Mrs T.

In June 2021, Mr C spoke with Aviva at renewal about the policy. He agreed to switch to the 'Expert Select' cover. This is a guided product which means that Aviva decides on the hospital and consultant for an insured (within a reasonable travelling distance). Mr C had a £500 excess on the policy.

In 2024, Mrs T had a consultation with a specialist at a hospital (that I'll call 'Hospital N') that cost £250. After she made a claim, Aviva turned it down. It said under the Expert Select cover, benefit is only available when the treatment is carried out by a specialist and hospital chosen by Aviva. It referred to the policy which said if the insured had treatment with a hospital or specialist not agreed by Aviva, it wouldn't pay the provider's fees. Aviva gave Mrs T various options of different specialists at a different nearby hospital that she could see instead.

Mr C and Mrs T complained to Aviva about its decision to turn down the claim, and thought the policy had been mis-sold.

Aviva issued its final response on the matter. It thought that it had correctly turned down the claim as Mrs T hadn't obtained authorisation before going ahead with the consultation. Aviva also thought it had explained how the Expert Select cover worked to Mr C before he agreed to take it out. Aviva later confirmed that the specialist Mrs T saw didn't satisfy its eligibility conditions under the Expert Select cover, and therefore the claim wasn't eligible for cover. Unhappy with this, Mr C and Mrs T brought their complaint to this service.

I issued a provisional decision on 17 January 2025. Here's what I said:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.'

The policy explains the following about Expert Select cover:

'If you have the Expert Select hospital option, treatment will be covered when it's carried out by the specialist and at the hospital confirmed by us.'

If your GP decides you need to be referred for further diagnostic tests or treatment, you must obtain an open referral and contact us.'

We will then use our clinical knowledge and independent quality data to locate a specialist and hospital for you.'

...
If you have treatment with a hospital or specialist that has not been agreed by us, we will not pay that provider's fees.'

I've listened to the call where Mr C agreed to take out the Expert Select cover. Mr C had called Aviva as he wanted to consider optical and dental cover. The adviser went through the private healthcare cover that Mr C already held. The adviser read out a list of local hospitals included under his existing policy, and Mr C said he wanted to have access to Hospital N (and another hospital). The adviser pointed out that Mr C didn't have access to those hospitals under his existing cover.

The adviser then explained about the option to have Expert Select. He said Mr C would need to get an open referral from his GP, and then Aviva would guide him to a hospital and consultant within 25 miles of his home, and that could be Hospital N potentially. The adviser confirmed there would be no increase in the premiums if Mr C chose the Expert Select option.

Later on in the call, Mr C wanted to know the difference between the Expert Select and his existing cover. The adviser said that with Mr C's existing cover, he could go to the GP and get a referral to a named consultant at a particular hospital (if covered), and the claims team could cover that. But under the Expert Select option, he wouldn't get a named referral and Aviva would use its guidance to guide him to a hospital and consultant within 25 miles.

In response to this, Mr C said, "But as you said, that would include [Hospital N]?"

The adviser said "I'm not guaranteeing that you would go to [Hospital N] but if we were to guide you to [Hospital N] that would be then available, but it wouldn't 100% always be guaranteed. It would depend on the situation, the type of consultant that you need to see, availability. That's why we say any hospital up to 25 miles away that we'll guide you to." Mr C confirmed he understood, and decided to go ahead with the Expert Select cover.

I think the adviser gave Mr C sufficient information about the Expert Select cover for him to decide whether or not to take it out. Whilst I appreciate Mr C ideally wanted access to Hospital N, the adviser made it clear that this wasn't guaranteed, and that Aviva could direct him to any hospital within 25 miles. Under Mr C's previous cover, he only had access to private wings of NHS hospitals, and didn't have access to Hospital N at all. So the Expert Select option did provide access to more hospital options, potentially including Hospital N.

The adviser could have made Mr C aware that there was a more expensive option where he could have a hospital list that included access to Hospital N. Though it's also the case that Mr C didn't ask if that was an option and was happy to accept that he wouldn't necessarily be offered Hospital N in the event of a claim.

I therefore don't find that Aviva mis-sold the Expert Select cover. If Mr C wants the more expensive cover which includes Hospital N under the hospital list, he can ask Aviva about upgrading his cover at his renewal date in a few months.

As Mrs T went ahead with the consultation without authorisation from Aviva, I'm satisfied that Aviva's decision to turn down the claim was reasonable and in line with the policy terms.'

I asked both parties to provide any further comments they wished to make before I made a final decision.

Mr C and Mrs T responded with the following main points:

- In my provisional decision they said I had only referred to the sales call. They think this is an extremely narrow consideration of the sales material.
- They say it is hard to understand what situation might arise that would exclude Hospital N from being a suitable location for an out-patient consultation.
- They think the adviser's reference to Hospital N not being guaranteed suggests it would almost be impossible or rare not to be guaranteed.
- They think Aviva's sales material reinforces the impression that Hospital N is considered identically to many other hospitals within 25 miles, and there is no criteria published which distinguishes Hospital N, or explains what situation might exclude it.
- They think Aviva's use of the word 'select' on a hospital list document is confusing.

Aviva responded to confirm it accepted my provisional 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.

As the policy was sold to Mr C over the phone, it was appropriate for me to consider what was discussed during that phone call. As I said in my provisional decision, I'm satisfied that Aviva's adviser gave Mr C sufficient information about the Expert Select cover for him to make an informed decision as to whether to take it out. I don't agree with Mr C that the adviser gave him the impression it would almost be impossible for Hospital N not to be guaranteed.

I also set out in my provisional decision what the policy says about the Expert Select cover. For the avoidance of doubt, I'm satisfied that this is clear.

I've considered the hospital list that Mr C and Mrs T have provided. This refers to a policy called Select Care, and confirms what hospitals are covered under that policy. This is not the Expert Select policy that Mr C and Mrs T hold. As Aviva has explained, the two are unrelated. Whilst both include 'select' in their names, I don't think this is confusing or that it would lead the reader to think that the Expert Select policy is the same as the Select Care policy.

Mr C and Mrs T say there's no criteria published which distinguishes Hospital N from other hospitals within 25 miles, nor explains what situation might exclude it. They don't understand why Hospital N wouldn't be suitable for an out-patient consultation.

The policy explains that Aviva will use its clinical knowledge and independent quality data to locate a hospital for someone with the Expert Select option. I see that Aviva provided Mr C and Mrs T with more information about this. The information it provided explained that the hospital options are based on healthcare ratings, as well as a person's needs, symptoms, condition and type of referral given. As I said in my provisional decision, if Mr C and Mrs T want the certainty of being able to choose a particular hospital (such as Hospital N) they can ask Aviva to upgrade their policy at renewal.

I remain satisfied that the policy wasn't mis-sold.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs T to

accept or reject my decision before 4 March 2025.

Chantelle Hurn-Ryan
Ombudsman