

## **The complaint**

Ms H has complained that Aviva Insurance Limited didn't direct her to the nearest hospital for treatment under a private medical insurance policy and that it won't undertake to do so in future.

## **What happened**

Ms H has health insurance as an employee benefit of her company, of which she is the sole director. It was Ms H who originally arranged the cover in 2021.

In May 2024 she sought a referral to a dermatologist, which was agreed by Aviva. However, it set up an appointment at a hospital in a neighbouring city rather than at a nearer facility.

Upon calling Aviva on 29 May 2024, it was agreed that she could attend her preferred hospital as an exception.

Our investigator thought that Aviva had acted reasonably, in accordance with the policy terms and conditions. Ms H disagrees and so the complaint has been passed to me for a 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.

I've carefully considered the obligations placed on Aviva by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Aviva to handle claims promptly and fairly, and to not unreasonably decline a claim.

As already mentioned, it was Ms H who arranged the policy on behalf of her company. She opted for the standard 'Expert Select' level of cover. She could have opted for the more expensive 'Hospital Lists' cover.

There's a distinction between these two levels of cover in terms of where treatment can take place. Looking at the policy terms, they state:

*'Where are members covered for treatment?*

### *Expert Select*

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

### *Hospital lists*

*If a member has a hospital list, in-patient and day-patient treatment will be covered when it takes place at a hospital on the chosen hospital list or a facility within one of our networks.'*

Based on the above policy wording, it's clear that, strictly speaking, you need to go where Aviva guides you to go if you have Expert Select, rather than being able to exercise an element of personal choice.

Ms H says she appreciates that limitation, however, within those parameters, the given option should still be based on the closest facility, as long as there is a suitable specialist there. She says she'd previously been referred to her preferred hospital and that there are plenty of dermatologists in her nearest city.

I appreciate Ms H's point of view. On the surface of it, it might seem somewhat counter-intuitive that Aviva's system search wouldn't just always end up with a referral to the nearest hospital, subject to the availability of a suitably qualified consultant. However, its offer is based on a number of factors over and above those highlighted by Ms H. So, it looks at location, type of treatment or diagnostics required and the quality standards of the specialist and hospital. But there are also commercial considerations that come into play, which relates to the level of cover that has been chosen. Increased choice comes with increased premiums.

Ms H has said that the whole point of Expert Select is to pick hospitals that are near to you. However, whilst Aviva undertakes to authorise treatment local to someone's postcode – using a search area of 25 miles – local doesn't necessarily mean the nearest.

I've thought very carefully about what Ms H has said and understand her frustration about not being referred to a hospital that is most convenient for her. However, the matter at hand is whether Aviva has done anything wrong, and I'm unable to conclude that it has. It acted in line with the policy terms and conditions when making the initial authorisation. And it was reasonable that it made an exception when Ms H expressed her dissatisfaction with the chosen location. It follows that I don't consider that Aviva needs to agree to always refer her to the nearest hospital in future.

### **My final decision**

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 17 June 2025.

Carole Clark  
**Ombudsman**