

The complaint

Miss W complains that Aviva Insurance Limited didn't give her information about the costs of treatment under her private health insurance policy.

What happened

Miss W holds a private health insurance policy with Aviva. The policy includes a limit of £2,000 for outpatient treatment.

Miss W complained to Aviva when she discovered that some tests that Aviva had authorised would have been cheaper had she used the self-pay rate and then claimed them back from Aviva. Instead, the provider charged a higher cost to Aviva, which meant she had less benefit left of her outpatient limit.

Aviva said any self-pay rates are agreements between the patient and the provider, and these are subject to change. It's not in a position to advise Miss W about the costs involved for authorised treatment, as this will depend on what tests and treatment a medical professional chooses to carry out. Aviva says it advised Miss W of the limit on her policy.

Aviva accepted a staff member didn't get in touch with a hospital to query the cost of a test Miss W still needed, as she had promised to do. Aviva apologised and paid her £150 for the distress and inconvenience caused.

Unhappy with Aviva's position, Miss W brought a complaint to our service. She was also unhappy that when she wanted to look into the self-pay cost of a test before Aviva paid it, Aviva marked it as not authorised on the system to prevent any invoice being paid. This led to confusion and inconvenience. Miss W also says Aviva took too long to confirm when it made the compensation payment which delayed her being able to trace it.

One of our investigators looked into the complaint. Having done so, he didn't think Aviva had acted unfairly or unreasonably in relation to Miss W's complaint about not being informed about the difference in self-pay costs and what Aviva pays for any treatment. And otherwise, he thought that the compensation Aviva had paid was fair and reasonable in the circumstances.

Miss W didn't agree with the investigator's findings. As no agreement was reached, the complaint has 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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Miss W's complaint. This also includes the requirements for insurers to comply with the principles set out in the Consumer Duty rules and guidance.

Aviva's role, as a health insurer, is to authorise treatment that's eligible under the policy terms and pay for that treatment in line with those terms. I can see that it has done so, and it informed Miss W about the outpatient limit on her policy. So, I think Aviva has done what I'd reasonably expect it to do in the circumstances. I appreciate it would have been helpful if Aviva had told Miss W that the self-pay rates may also be cheaper (assuming it had known this). But I don't think it was under an obligation to do so.

Aviva wouldn't be able to confirm the costs involved with all claims made by policyholders before receiving the invoices. This is because these are subject to the treatment and tests needed, the medical professionals involved, and the costs charged by different providers. However, Aviva does publish a fee schedule which provides information about what costs Aviva pays for medical procedures set out in that schedule, and this is publicly available online. I appreciate this doesn't include detail for the specific costs Miss W has complained about, which relate to hospital fees for tests.

Whilst Aviva has agreements with some hospitals for the costs, it doesn't have these in place with all hospitals. And where there's no agreement in place, Aviva wouldn't know the cost of treatment until it received an invoice. I don't think it would be fair or reasonable for Aviva to disclose commercially sensitive information about these agreements to Miss W, as it wouldn't do so for other policyholders either. Aviva also doesn't hold information about any self-pay rates specific providers charge, as these are set by the providers and are subject to change.

It's clear that Aviva caused Miss W some unnecessary distress and inconvenience. Aviva acknowledged its staff member didn't follow up on a promise to look into a particular cost involved. It apologised and paid Miss W £150 for the distress and inconvenience caused. But Miss W doesn't think this goes far enough considering all her concerns.

She's also unhappy with what happened when she wanted to look into the self-pay rate for a test before Aviva processed any invoice. Aviva said it needed to mark the claim as not authorised so an invoice wouldn't get paid. This led to unnecessary frustration and inconvenience. I accept this would have been frustrating. But I'm satisfied Miss W would have known this claim had already been authorised.

I appreciate it took a while for Miss W to be able to trace the compensation payment made by Aviva. But it confirmed it paid the compensation to the account she had requested shortly after the final response. I don't think I could fairly hold Aviva responsible for any delays in Miss W identifying the payment on her account.

When considering what's fair compensation, I take into account all the circumstances of a complaint. Having done so, I think the compensation Aviva has paid Miss W is fair and reasonable.

My final decision

My final decision is that I don't uphold Miss W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 24 July 2025.

Renja Anderson
Ombudsman