DRN-5587669

The complaint

Ms M complains about how BUPA Insurance Limited handled a claim under her private health insurance policy.

What happened

Ms M asked Bupa to authorise 10 sessions of rTMS (repetitive transcranial magnetic stimulation) treatment on 11 March 2024. Bupa said it would only cover two sessions under the policy outpatient limit of £500. Ms M was unhappy with this, as she was an inpatient when she received the treatment, even though the treatment was carried out by another facility. Bupa then said on 20 March 2024 that it would cover the 10 sessions. But when it settled the costs, it still applied the outpatient limit which meant that only two sessions were covered in full.

On 16 April 2024, Bupa agreed to pay for the 10 rTMS sessions due to the confusion it caused. But it said it was correct to say these would normally be considered against the outpatient limit of £500. Ms M wasn't happy with this, as she'd had 30 rTMS sessions approved in the same circumstances in 2020. She said that had Bupa explained everything clearly, she would have transferred to another hospital to receive inpatient treatment, which had the facility to provide rTMS treatment.

Following a further review, Bupa accepted what Ms M had said, and it accepted other failings in the service it gave her, and it paid Ms M £1,000 for the distress and inconvenience caused. Bupa also said it would pay for further 10 rTMS sessions, as these had been considered clinically eligible. If Ms M needed further treatment, Bupa said it would need a new medical report.

But Bupa said that it would still consider having paid this treatment on an outpatient basis, which meant that Ms M didn't have any limit outstanding under her outpatient limit of £500. It said this was because had it given correct advice, the outpatient benefit limit would have applied for this treatment. So, Bupa declined to pay for any other outpatient treatment during the relevant policy year.

Unhappy with Bupa's response, Ms M brought a complaint to our service. One of our investigators looked into what had happened. And having done so, she noted that Bupa had accepted it hadn't handled Ms M's claim as well as it should have done. But overall, our investigator thought that what Bupa had done to put things right was fair and reasonable in the circumstances.

Ms M didn't agree with our investigator's findings. In short, she made the following points:

- The investigator didn't make a reference to the rTMS treatment being authorised on 20 March 2024, and Bupa later deauthorising this. This had a significant impact on Ms M.
- The outpatient limit of £500 shouldn't have applied to the rTMS treatment.
- Bupa should have responded more promptly during her claim, rather than pushing her to make a complaint which had longer timescales for Bupa to respond.

- Ms M was deprived of the opportunity to have the rTMS treatment as an inpatient at another hospital.
- The compensation offered doesn't fairly reflect the overall impact on Ms M. She feels that she didn't receive any meaningful treatment for her underlying condition during her inpatient stay due to Bupa's errors.
- Bupa should evidence that the treatment it paid in 2020 was done outside of policy limits.

As no agreement was reached, the complaint was passed to me to decide. I issued my provisional decision on 13 May 2025. Here's what I said:

"Firstly, whilst I've considered everything Ms M has said, I've focused on the points that I think are material to the outcome of the complaint. So, I haven't addressed all the points Ms M has raised in detail. This isn't meant as a discourtesy, it simply reflects the informal nature of our service, and my role within it.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. Insurers must also handle claims promptly and should provide reasonable information about the progress of 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 Ms M's complaint.

Bupa has accepted the following:

- *It didn't always respond to Ms M's emails in a timely manner, which had an impact on assessing reports.*
- *It incorrectly told Ms M the rTMS sessions would be covered in full, so when it later said it would apply these against the outpatient limit, it appeared like Bupa was rescinding preauthorisation.*
- *Its agent could have handled a particular call better, which led to Ms M feel like her health wasn't taken seriously.*
- *Had Ms M been advised correctly about her benefits, she would have transferred to another hospital.*

To put things right, Bupa offered the following:

- *Pay for the 10 rTMS sessions with her provider, as well as 10 further ones. It said it would pay for these once Ms M provided it with the invoices. If Ms M required more sessions, it would need a new medical report to assess this. But Bupa confirmed these would be applied against her outpatient limit.*
- *Pay Ms M £1,000 to compensate her for the distress and inconvenience caused.*

I think it's clear that Bupa didn't handle everything as it should have done. Ms M's inpatient treatment plan included rTMS treatment. At first, I think Bupa explained correctly that as this was provided on an outpatient basis by another facility, Ms M's outpatient allowance limit would apply. But Bupa then said on 20 March 2024 that it would authorise to pay for 10 sessions. So, when Bupa later said it would still apply the outpatient limit on these, it's not surprising that this was distressing for Ms M.

Bupa has accepted that had it advised Ms M of her benefit limits better, she would have transferred to another hospital and received the rTMS treatment on an inpatient basis. Bupa says it would have approved a maximum of 30 rTMS sessions that would have been paid as part of Ms M's inpatient treatment. So, this means that Ms M was deprived of the opportunity to have this treatment as planned. This has caused Ms M significant distress and inconvenience.

To put things right, Bupa has offered to pay for the 10 rTMS sessions Ms M had with her provider, as well as 10 further ones. It said it would pay for these once Ms M provided it with the invoices. Bupa also said that if further treatment was needed, it would need a new medical report. Overall, I think this is fair and reasonable. That said, Ms M has said she may want to use another provider for any future sessions due to distance. I'd expect Bupa to consider this request in line with the remaining terms and conditions of the policy, such as if the facility is Bupa recognised.

I don't think it would be fair for me to direct Bupa to pay for any sessions beyond the 20 it has offered to pay without a new medical report. This is because it would always have required this after every 10 sessions.

I think Bupa also needs to pay interest on any rTMS treatment Ms M paid out of pocket. This is because had she had the treatment as an inpatient in another hospital, she would never have had to pay for these sessions. However, as Bupa offered to pay these invoices already on 14 May 2024, I think it only needs to pay interest up until this date. So, once Ms M sends Bupa invoices for rTMS treatment, Bupa should add interest at 8% simple per annum on these amounts from the date Ms M paid the invoices until 14 May 2024.

Bupa has also paid Ms M £1,000 for the distress and inconvenience caused. Ms M doesn't think this fairly reflects the impact on her. It's clear that the confusion caused by Bupa had a significant impact on Ms M. She's explained that Bupa's actions impacted her inpatient treatment. I'm satisfied Bupa's actions impacted Ms M's mental health during this time, and Bupa would have known she was vulnerable at the time. And I'm persuaded that had everything gone right, Ms M would have transferred to another hospital, and she would have had the rTMS treatment on an inpatient basis there. So, she was deprived of the opportunity to do so.

I also think Bupa should have explained to Ms M much sooner that it paid the same claim in 2020 outside the policy terms, and why. This would have allowed Ms M to understand its decision sooner and make an informed decision about her treatment going forward. This would also have avoided a lot of confusion and worry.

I also don't think Bupa has acted fairly when it applied the rTMS treatment against Ms M's outpatient limit. This is because had everything gone right, Ms M would have had this treatment on an inpatient basis at another hospital. So, this would never have been applied against the outpatient limit.

I think a fair outcome is for Bupa to not apply any of the rTMS treatment (up to 30 sessions) against Ms M's outpatient limit. If Ms M provides a new medical report to confirm the need for further 10 sessions (bringing the total to 30), I think Bupa should consider these to be part of the treatment it would have considered if Ms M had received these sessions as an inpatient in another hospital.

Bupa declined to pay for a consultation on 9 April 2024 as Ms M had exceeded her outpatient limit. I think Bupa should pay for this session in line with the remaining terms and conditions of the policy, subject to receiving the invoice from Ms M showing she paid for this. If Ms M paid for any other outpatient treatment during the relevant policy year, she should send the invoices for Bupa to consider in line with the remaining terms and conditions of the policy. Bupa should also pay interest at 8% simple per annum on these invoice amounts from the date Ms M paid them until the date of settlement.

Having considered everything, I currently think Bupa should pay Ms M a total of £1,500 for the significant distress and inconvenience caused in all the circumstances of her complaint. This is inclusive of anything it has already paid. If Bupa already paid Ms M £1,000, then it needs to pay her a further £500."

Bupa accepted the following recommendations:

- Pay for a total of 20 rTMS sessions. If further sessions are needed, it needs a medical report. If further 10 sessions are deemed necessary, these will be covered in full, without impacting Ms M's outpatient limit, up to a maximum of 30 rTMS sessions.
- If Ms M has paid out of pocket for any rTMS sessions, it will reimburse her for these (but these will be deducted from the total amount of sessions authorised), including 8% interest.
- Pay the claim for outpatient treatment on 9 April 2024 upon receipt of invoice and proof of payment from Ms M, including 8% interest.
- Pay for any eligible outpatient treatment Ms M had during the relevant policy year, up to the value of her outpatient allowance (including the outpatient treatment on 9 April 2024), upon receipt of invoices and proof of payment, including 8% interest.

However, Bupa thought its offer to pay Ms M £1,000 in compensation was fair and reasonable.

In summary, Ms M made the following points:

- She lost out on being able to receive private physiotherapy treatment after surgeries in September and December 2024 due to having no outpatient allowance left on her policy. She paid for one session privately but had to use NHS for the rest. This led to longer wait times, it was more inconvenient, and the quality of treatment wasn't as high as private treatment. Ms M says she should be compensated for losing out on this treatment due to not having any outpatient allowance remaining.
- Due to a gap in the rTMS treatment, this was not as effective, and further 10 sessions are unlikely to have much effect. Ms M says Bupa should pay towards the 10 sessions she self-funded, or it should pay for 20 rTMS sessions now – bringing the total it has funded to 30.

As both parties have now had the opportunity to review and respond to my provisional findings, I'm issuing my final 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.

The key issues still in dispute are the amount of compensation Bupa should pay Ms M, as well as how Bupa should pay for the rTMS treatment.

Firstly, I accepted in my provisional findings that Ms M should have received the rTMS treatment as inpatient. And being deprived of this is what I took into account when considering the impact on her, and how much compensation Bupa should pay her. The direction for Bupa to pay for rTMS treatment now is simply an additional layer to allow Ms M to still have the treatment – but the compensation award takes into account the fact that this won't be the same as if she'd had this as inpatient treatment at the time. So, the overall distress and inconvenience was significant.

For clarity, Bupa has already paid for the original 10 rTMS sessions Ms M had as an inpatient. And Bupa will pay for the next 10 sessions she self-funded upon receipt of invoices and proof of payment. If Ms M still needs further 10 sessions, Bupa will pay for these subject to receiving a medical report to show these are eligible. And it won't apply any of this treatment against Ms M's outpatient limit. I think this is fair and reasonable.

When I increased the compensation award to a total of £1,500, I took into account all the circumstances of Ms M's complaint. I don't intend to repeat all the reasons here, as these are outlined in my provisional findings. However, I also took into account that I didn't think Bupa had acted fairly when it applied the rTMS treatment against Ms M's outpatient limit; I made this finding in my provisional decision. I'll set out the impact of this further.

Ms M had explained that she missed out on having physiotherapy privately because she didn't have any outpatient allowance left on her policy. This would've had an impact on her when she had to seek treatment through the NHS instead, rather than being able to use her private health insurance policy. However, any difference in quality of treatment is not something I can hold Bupa, an insurer, responsible for. But overall, this led to unnecessary distress and inconvenience.

Having considered everything again, I'm satisfied £1,500 is fair compensation in all the circumstances of Ms M's complaint for the reasons I've explained above and in my provisional decision.

Overall, I've reached the same conclusions I did in my provisional decision, and for the same reasons.

My final decision

My final decision is that I uphold Ms M's complaint, and direct BUPA Insurance Limited to do the following:

- pay Ms M a total of £1,500 for the distress and inconvenience caused*,
- not apply the outpatient limit for up to 30 sessions of rTMS treatment,
- pay for any rTMS treatment up to a total of 20 sessions (subject to receiving the invoices and proof of payment from Ms M),
- consider any claim for further 10 sessions for rTMS treatment in line with the remaining terms and conditions of the policy (subject to receiving a new medical report),
- pay interest at 8% simple per annum on any rTMS treatment Ms M paid out of pocket from the date she paid the invoice until 14 May 2024**,
- pay for the outpatient treatment on 9 April 2024 in line with the remaining terms and conditions of the policy (subject to receiving the invoice and proof of payment from Ms M),
- pay for any other outpatient treatment Ms M paid for during the relevant policy year in line with the remaining terms and conditions of the policy (subject to receiving the invoices and proof of payment from Ms M), and
- pay interest at 8% simple per annum on any outpatient treatment during the relevant policy year from the date Ms M paid the invoices until the date of settlement**.

*Bupa must pay the compensation within 28 days of the date on which we tell it Ms M accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% simple per annum.

**If Bupa considers that it's required by HM Revenue & Customs to take off income tax from the interest, it should tell Ms M how much it's taken off. It should also give Ms M a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 26 June 2025.

Renja Anderson
Ombudsman