

The complaint

Mr and Mrs S complain Aviva Insurance Limited provided poor service and delayed payment of their claim.

What happened

Mr and Mrs S are beneficiaries of a group private medical insurance policy held by Mr S's employer. The cover is underwritten by Aviva.

In 2024 Mrs S needed medical treatment and contacted Aviva. Aviva authorised the treatment and it went ahead in November 2024. And Mrs and Mrs S said they paid for the treatment on a credit card.

Aviva said it received the invoice in December 2024, and initially raised queries with the provider as the number of sessions shown exceeded what it had authorised and the amount billed was in a foreign currency. It said the provider didn't respond, but it decided to pay the claim and issued a cheque on 30 January 2025. However when Mrs S attempted to cash the cheque, it was rejected by the bank as Aviva had placed a stop on it.

Mrs and Mrs S raised a complaint. Aviva responded and said it had continued to review the claim and found the treatment should not have been authorised. And it said it placed a stop on the cheque by mistake. To put things right Aviva reimbursed Mrs S for her treatment via electronic payment. And paid interest plus £300 for the inconvenience caused.

Unhappy with the response, Mr and Mrs S brought their complaint to this service. They thought Aviva should pay further compensation for the distress and inconvenience they were caused. And said they had been charged a high amount of interest on their credit card whilst waiting for the claim to be settled.

An investigator here looked into what had happened and said they thought Aviva had already done enough to put things right.

Aviva made no comment on the investigator's view. However Mr and Mrs S disagreed and asked for a final decision from an ombudsman. And so the case 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.

And I've looked at the relevant industry rules. These say an insurer must handle claims promptly and fairly, shouldn't unreasonably reject a claim and is expected to provide appropriate support to its customers throughout the relationship, including during insurance claims.

Having done so, I'm not upholding this complaint, for similar reasons to those explained by the investigator. And I'll go on to explain why.

Aviva accepts it made an error in originally authorising treatment which was not covered by the policy and in cancelling the cheque it issued. As this is not in dispute, I won't comment on this further.

Aviva has reimbursed Mrs S for the treatment costs, paid interest on that amount, and £300 for the overall distress and inconvenience caused. However Mr and Mrs S don't think Aviva has done enough to put things right. So I've gone on to consider what I think is a fair and reasonable resolution in this case.

I've thought about the delay in Mrs S receiving the payment for her treatment costs, as Aviva originally sent a cheque which it later cancelled. Mr and Mrs S have provided internet banking screenshots showing various interest charges across December 2024 and January and February 2025 totalling more than £350. And they've asked that Aviva reimburse them for these charges.

I'm not persuaded that Aviva would be responsible for the whole period for which Mr and Mrs S would like to be reimbursed. I say this because the insurer originally issued a cheque to pay the claim on 30 January 2025. And after it corrected its error, it settled the claim via an electronic payment on 21 February 2025, which would have reached Mrs S's bank account within a few days. So I think Aviva only needed to pay interest on the period between the cheque being issued and the consumers receiving the settlement electronically. Although I appreciate Mr and Mrs S paid for the treatment in November 2024, I've not seen that Aviva caused any unreasonable delays in handling the claim prior to 30 January 2025.

I've gone on to consider the evidence Mr and Mrs S have provided of the interest they were charged on their credit card. However the screenshots from their internet banking do not show which credit card account the charges relate to, or on what balance this interest was charged. Our investigator asked Mr and Mrs S for further evidence, but they confirmed they were unable to provide anything more. So, based on the evidence supplied, I'm not sufficiently persuaded the interest charges claimed directly and solely relate to the cost of Mrs S's treatment. And so I don't think it unreasonable that Aviva paid interest at 8% a year simple on the treatment cost, as this is in line with awards this service would make.

When a financial business makes an error which impacts a consumer, we expect it to take reasonable steps to put the consumer back in the position they would have been in, had the error not happened. And in this case, I think Aviva has done enough. I say this because it has paid for the treatment it authorised in error, and paid interest for the delay in Mr and Mrs S receiving payment. And it paid £300 in compensation for the overall distress and inconvenience caused. Whilst I accept the cancelled cheque and subsequent correspondence about this caused Mr and Mrs S confusion, inconvenience and wasted time, I think £300 fairly recognises the impact of Aviva's error in the circumstances of this case.

My final decision

For the reasons I've given, it's my final decision that I do not uphold this complaint and make no award against Aviva Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 28 October 2025.

Gemma Warner
Ombudsman