DRN-5677010

The complaint

Mr O complains that BUPA Insurance Limited ('*BUPA*') unfairly refused to pay the full value of a claim he made under his private medical insurance policy for surgical treatment. To resolve his complaint, Mr O wants to be reimbursed for his proportion of the claim payment.

What happened

The background is known to both parties, so I have only included a summary here. Mr O has held private medical insurance cover with BUPA since July 2018 alongside his wife. Their cover was for the '*Extended Choice Recognised Facility network'*.

Mr O has sadly been diagnosed with a type of cancer which has been treated with therapies including chemotherapy and radiotherapy. He later underwent several months of tests after his cancer recurred. He called BUPA on 25 May 2024 to explain that he required a complex surgery under the care of his consultant, Mr J. However, the procedure code was not in date, and BUPA required an updated code before it could consider the claim.

On 28 May 2024, Mr O called BUPA with the correct procedure code. BUPA told Mr O that it could not fund the surgery in full. It explained how Mr O's chosen hospital wasn't included in his extended choice recognised facility network. That meant it would reimburse only 60% of the costs of treatment, and Mr O would be liable for the balance. Mr O had the surgery undertaken by Mr J at his chosen hospital the following week.

Mr O complained in July 2024. He said BUPA had failed to take account of Mr J's written explanation where he justified the need to use the specific hospital in question. The following week, BUPA rejected the complaint. It said that during a call before Mr O underwent his procedure, he was told that he would need to pay for 40% of the cost, should he go ahead. It could not tell him this when he first called on 25 May 2024 because it was awaiting a correct procedure code. However, by 28 May 2024 it had established that the proposed facility was out of network. BUPA said it had therefore acted correctly in line with Mr O's policy terms by paying 60% of the claim.

Mr O remained unhappy with this outcome, and so he brought his complaint to this service where it was considered by one of our investigators. Our investigator said he was satisfied that BUPA gave Mr O reasonable guidance about the cover (that only 60% of the claim was payable) in line with the terms of his policy before he went ahead with treatment at his chosen facility. He therefore felt that BUPA had fairly settled the claim proportionately.

Mr O said he disagreed and wanted his claim to be considered by an ombudsman. In summary, he said:

- He questions why BUPA would have funded diagnostic testing but not the operation.
- The timing of the refusal was just a few working days before the planned surgery. Mr O feels it was unfair for BUPA to infer he ought to run a greater risk to his health by finding another surgeon.
- Mr J is one of very few consultants capable of performing such a complex procedure and he only does so at one private facility.

- Mr J also questions the qualifications of BUPA's decision makers.

BUPA had no further comments to make.

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 thank the parties for their patience whilst this matter has awaited an ombudsman's decision. I was sorry to learn of Mr O's circumstances leading to his surgery. I note he has told us how traumatic recent events have been and send him my best wishes.

I've fully reviewed all the information before me, including the representations Mr O made after our investigator's assessment. However, in reaching my findings, I've focused on what I consider to be the central issues. I don't need to comment on every argument to be able to reach what I think is the right outcome in the circumstances. Our rules allow me to take this approach; it reflects the informal nature of our service, as a free alternative to the courts.

Having reviewed this complaint carefully, I agree with the outcome reached by our investigator – that means though I realise my decision will be disappointing for Mr O, I won't be asking BUPA to do anything further to resolve the complaint as I believe it has behaved fairly overall. In summary, my findings are:

- It's important for me to point out that we do not act in the capacity of a regulator. That remit falls to the Financial Conduct Authority ('*FCA*'), where it may look at wider issues governing how businesses conduct their operations or exercise what may be commercial judgement on the provision of a particular service.

- My role isn't to substitute my view for that of a business but instead, to determine if a business has acted fairly in all the circumstances of a complaint.

- I am satisfied that BUPA has fairly refused the claim, by applying the policy terms and conditions to Mr O's documented circumstances.

- The policy terms and conditions form the basis of the contract of insurance between the parties, and therefore it is reasonable for BUPA to rely on those terms when reviewing the claim.

- Mr O (and his wife's) membership certificate says:

> "*Recognised Facilities - we pay their charges in full. Charges from a facility that is Bupa recognised but isn't one of the facilities you have chosen as part of your Recognised Facility network (as shown in Section seven of this Certificate) - we pay 60% of each claim and you pay 40%*.
>
> *Section seven*
> *Important information about your chosen Recognised Facility network*
>
> *The following members have access to the Extended Choice Recognised Facility network:*
> *[Mr O] and [Mrs O]*
>
> *Extended Choice – a hospital or a Treatment facility, centre or unit, at the*

time you receive your Eligible Treatment, is in our Extended Choice facility list that applies to your Benefits and is recognised by us for treating your medical condition and carrying out the Treatment you need.

You can ask us if a hospital or a Treatment facility, centre or unit is in your Recognised Facility network or you can access these details at finder.bupa.co.uk. At renewal you can ask us to change your chosen Recognised Facility network. Any changes may affect the subscriptions you have to pay."

And the policy terms say:

> *"2. Your Membership Certificate sets out the details of the cover you have chosen. We do not pay for any Benefit listed in this Table unless it is included on your Membership Certificate. We also do not pay for any personal travel and/or accommodation costs which are not expressly set out in your Benefits.*"

- Regulatory rules require BUPA to handle claims promptly and fairly and to not unreasonably reject a claim. I've therefore considered the evidence provided by the parties alongside the terms and conditions for Mr and Mrs O's policy to determine whether I believe BUPA acted fairly and reasonably by refusing Mr O's claim.

- The policy Mr and Mrs O hold isn't designed to cover every situation or eventuality. In general terms, an insurer can determine the risk it is willing to cover and on what terms, in return for an agreed policy premium (subscription). And, the onus is on the policyholder to produce sufficient evidence to satisfy a claim in line with the terms.

- Mr and Mrs O's policy doesn't provide reimbursement for any cost of treatment that they may incur. It does, however, provide reimbursement in full for charges for eligible treatment from a facility within the extended choice recognised facility network and 60% of the cost from a facility that's recognised by BUPA but isn't one of the facilities which is part of the extended choice recognised facility network.

- I know Mr O feels very strongly that the policy wording is unreasonable, but I can't agree with that. The wording I've set out is clear. Nor can I agree that BUPA considered the information from Mr J unfairly. Mr J explained how – alongside his NHS clinic – he only offered the procedure at one specific hospital. He also went on to note few surgeons in Mr O's area could offer the same treatment, though he did not set out that the proposed hospital was the only suitable case for the procedure.

- I realise that the timeframe from Mr O to make a decision was tight; and when he called BUPA three days after his first call, he was just under one week away from his planned surgery. I don't doubt that was stressful for him, but I'm not able to say BUPA did anything wrong in confirming the policy limits once it had received the correct procedure code. Mr O decided to go ahead in the express knowledge that the terms and conditions of his policy only reimbursed 60% of the cost at a facility which wasn't included in his extended choice recognised facility network.

- I've thought about whether it would be reasonable in this case to direct BUPA to reimburse Mr O for the total cost of his treatment, but I don't believe that is appropriate. To do so would ignore the fact that Mr O chose his cover with a recognised facility network for which he paid appropriate policy subscriptions. I don't find it fair to ask BUPA to settle Mr O's claim as if he had cover that he didn't pay for.

- In some instances, for example, where a recognised provider charges more than BUPA's benefit limits, BUPA may reimburse costs incurred by a policyholder up to its usual limits. Even though that may be the case, I haven't seen any objective reason that BUPA has behaved unfairly in how it has processed Mr O's claim, or that it should reimburse him for the total costs of a hospital not in his recognised facility network. As I've set out above, I cannot disregard that Mr O didn't hold the level of cover which would permit reimbursement of all charges from his preferred hospital.

- Despite my sympathy for Mr O's position, I have seen no grounds on which I can fairly direct BUPA to pay his claim in full. Accordingly, I cannot uphold this complaint.

My final decision

For the reasons set out above, I do not believe this complaint should succeed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 8 October 2025.

Jo Storey
Ombudsman