

The complaint

Mr W is unhappy that the reward points on his private medical insurance policy weren't being updated correctly by Vitality Health Limited (Vitality). He said this has required a disproportionate amount of time and effort on his part.

What happened

Mr W has a private medical insurance policy with Vitality since July 2010.

The policy includes a reward scheme for accumulating points to encourage a healthier lifestyle. The points accumulated potentially impact the premium on the policy for the following year.

Mr W experienced ongoing issues with managing the points on his Vitality app which then impacted his points-earnings. He made a complaint to Vitality in July 2024 as points were missing. It manually added the maximum points for the three days where the points were missing. Vitality informed Mr W to keep the member app updated to allow for the points to be synced. Vitality said it would be beneficial if it could contact Mr W for any troubleshooting.

Mr W contacted Vitality again in October 2024 to complain as the points hadn't updated correctly again. Vitality said it had identified gaps in the points data since the policy was updated in July 2024. It said as a gesture of goodwill the points were manually added to ensure Mr W wasn't disadvantaged. It also said it had attempted to contact Mr W to troubleshoot the issue but had been unable to speak to him.

Unhappy, Mr W brought his complaint to this service. Our investigator didn't uphold the complaint. He thought Vitality had taken the appropriate steps in putting things right for Mr W and he didn't think it had acted unfairly or unreasonably.

Mr W disagreed and asked for the complaint to be referred to an ombudsman. So, it was passed to me.

I issued a provisional decision to both parties on 10 July 2025. I said the following:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS'). I've taken these rules into account when looking at this complaint.

At the outset, I understand Mr W has had a previous complaint that's been dealt with by this service and for issues that were of a similar nature. Whilst it's helpful to understand the context of what's happened before, I confirm that my role is to look at the individual merits of this complaint and what I think is fair and reasonable taking into account the circumstances of this complaint.

Mr W's policy has a reward system where points are awarded to encourage a healthier

lifestyle. And, in turn, the premium is reflected in the following policy year depending on the number of points accumulated.

Vitality says in its policy terms and conditions that a member can see which points have been credited by checking their points statement on the member zone or the member app.

Mr W contacted Vitality in July 2024 as points were missing for three days from earlier that month. Vitality issued the points manually, so Mr W didn't lose out and it also informed him that there were no system issues from its side that affected his member account.

In October 2024, Mr W had to contact Vitality again due to the same issues. Vitality tried contacting Mr W but couldn't get to speak to him to go through some troubleshooting and identify the issue. Vitality said it couldn't go through this process to identify what the issue was in the points not being added to Mr W's account. Vitality again added the points manually, so Mr W didn't lose out.

Mr W said he updates the app each day and ensures he checks his member account to check that the points are updated. I find this plausible based on the fact that he's had to contact Vitality when he's seen an issue with the points being updated.

Vitality has put things right for Mr W each time by manually adding the points onto his member account. I think this is fair and reasonable. However, I don't think Vitality has taken into consideration that Mr W has had to contact it again on two occasions for issues that he's experienced previously. I understand that he needs to go through the troubleshooting process with Vitality. But despite this, the policy terms say that the points can be seen on the member zone and that's not happened in Mr W's case. I don't think it's fair to expect Mr W to contact Vitality to update the points each time.

Ultimately, the points added to the member account would reflect the premium in the following policy year and for Mr W, this has clearly been important. When this doesn't happen automatically as it's expected to, there is a knock-on effect on the premium. So, whilst I think it's fair for Vitality to manually add the points that should have automatically been added, I'm not persuaded this is sufficient in the circumstances.

I think the issues have had an impact on Mr W and whilst he also has a responsibility to find out from Vitality and to co-operate with any troubleshooting that's required, he had to be proactive in contacting Vitality each time. This is because the points are not being added automatically as they should. And I agree that this has caused Mr W inconvenience that could be avoided.

As I've said above, Mr W has the responsibility to check his member zone to ensure the points are added as they should. And I note that each time the points haven't correctly been added, Mr W has contacted Vitality. Vitality said it didn't get the opportunity to troubleshoot, and it would require Mr W to provide screenshots. I think those are reasonable steps to go through to allow Vitality to identify the issues Mr W was experiencing. So, going forward, I would expect Mr W to co-operate with Vitality in doing this otherwise the crux of the issue isn't being resolved and there is a responsibility on him to assist Vitality.

Overall, I intend on directing Vitality to pay Mr W £75 compensation for the distress and inconvenience caused to him. I want to be clear that this is because there has been an impact on Mr W. He had to contact Vitality twice. I accept that Vitality did put things right by manually adding the points and tried contacting Mr W to resolve the issues. But this isn't the first time this has happened, so I think £75 compensation is fair and reasonable in the circumstances of what's happened here. I understand that the points system is a rewards programme to encourage healthier living. But it also impacts the premium charged for the

following year and therefore the expectation is that the member zone ought to be updated as expected and as per the terms and conditions of the policy.

I now invite both parties to provide further comments by 24 July 2025.

Both parties responded.

Mr W accepted the provisional decision and provided comments.

Vitality didn't accept the provisional decision and provided comments.

I'll address these comments below.

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.

Mr W said, in summary, that the functioning and infrastructure is critical and shouldn't require member input on a repeated and lengthy or unreasonable basis. He's had to consistently contact Vitality because of the under-recording, and this has taken time and effort on his part which shouldn't have been required.

Vitality said Mr W has not had any increases in premium as a direct result of any irregularities on the points. He has received the maximum benefits and has actively achieved this. In helping Mr W to resolve the issues, Vitality reached out to Mr W, but this was declined. It said its internal processes to help to Mr W resolve the issues was followed and it remains open to assisting Mr W should he want to engage with this.

I appreciate both parties providing their comments. I understand from Vitality's perspective that Mr W hasn't suffered any financial loss and that it made attempts to assist him in resolving the issues he faced. But, in awarding £75 compensation, I've taken into account the frustration and inconvenience caused to Mr W. He's clearly motivated by the reward system and receiving the maximum benefits from this. He's explained he encounters issues regularly and has to contact Vitality for a manual adjustment. And whilst I understand Vitality thinks he hasn't suffered a financial loss, I think this is because he has had to proactively contact Vitality to manually get the points rectified on his member account.

I agree with Vitality that Mr W should co-operate with Vitality to help it to resolve the issues and going forward I would expect that Mr W has shown he has done this. There is also a responsibility on him to do this. But, in the individual circumstances of this complaint, I'm satisfied that £75 compensation for what happened is fair and reasonable.

Putting things right

I direct Vitality to put things right by:

- Paying Mr W £75 compensation for the distress and inconvenience caused to him.

It must do this within 28 days of the date on which we tell it Mr W accepts my final decision. If it takes longer, Vitality must give Mr W a meaningful update setting out the timeframe when it will make the payment.

My final decision

For the reasons given above, I uphold Mr W's complaint about Vitality Health Limited.

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

Nimisha Radia
Ombudsman