DRN-5722090

The complaint

Mr V complains that Aviva Insurance Limited ('*Aviva*') has acted unreasonably when applying the fee schedule set out in his private medical insurance policy. This meant Aviva has not covered the full costs of his medical consultations and treatment.

What happened

Mr V purchased an Aviva Healthier Solutions Private Medical Insurance policy through an independent broker in January 2024.

In April 2025, he lodged a claim with Aviva relating to the removal of a type of cyst. At that time, he had yet to see a specialist. Aviva explained to Mr V that the specialist he'd opted to use (who I'll call Mr R) wasn't 'fee assured'. This meant Mr R charged more than its agreed fee guidelines for consultations, tests, anaesthetist fees, treatments and surgical procedures. It also told Mr V the amounts for the relevant fee limits.

Mr V complained. He said he felt Aviva's stance unfairly penalised him for choosing his own specialist.

In May 2025, Aviva rejected the complaint. It said its fee schedule had been applied consistently, and the policy terms were clear that Mr V would be liable for the cost of the various fees beyond the agreed limits, should he choose to go ahead with Mr R. Aviva told Mr V that it could help him locate alternative specialists that would operate within its fee guidelines, so Mr V would not face a financial shortfall.

In June 2025, Mr V told Aviva he had chosen to undergo the procedure with Mr R. Aviva authorised the procedure and reimbursed a proportion of Mr V's surgeon and anaesthetist fees, based on the cap set out in its fee schedule. As the procedure was carried out at a recognised facility, the hospital fees were covered in full.

So, Mr V referred his complaint to this service. An investigator reviewed the complaint, but he didn't think it should succeed. He noted that it wasn't for this service to determine if Aviva's fee schedule was set at reasonable values – though he did believe that it was commensurate with other insurers. Overall, he was satisfied that Aviva had fairly set out the limitations within Mr V's fee schedule before he agreed to proceed with his chosen specialist and subsequent procedure, despite knowing that Mr R wasn't fee assured.

Mr V disagreed with the investigator, and asked for his complaint to be referred to an ombudsman. He made some further written submissions, noting:

- The findings rely on the terms and conditions for his policy, but this overlooks the broader issue that he was told he had comprehensive private medical coverage – and he does not.
- Aviva's actions have materially restricted his ability to access necessary medical care.
- Aviva says it offers cover in full for surgical procedures and conditions, but this is fundamentally undermined by the financial caps set out in the fee schedule.

- The financial limits bear no relevance to the actual cost of private medical care in London.
- At no point when he applied for the policy was he informed that he could be financially liable for significant shortfalls in the cost of private medical care.
- He acted in good faith when choosing his own specialist – which the policy allowed him to do.
- Mr R performed a standard procedure for a standard fee. Mr V disputes that a fee assured provider could have provided the service he received from Mr R within the stated financial cap.
- This is not a matter of preference – it's a question of whether a policyholder can reasonably access medically advised care without financial obstruction.
- Aviva's restriction in applying its fee schedule creates an unfair and inconsistent outcome for those requiring medical care in London.
- He hopes that any final decision can focus on fairness, not just the policy terms.

Aviva had nothing further to add. The complaint has now been passed to me.

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've set out the background to this complaint in less detail than the parties and I've done so using my own words. And, in reaching my conclusions, I've focused solely on what I consider are the key issues. Our rules allow me to take this approach; it simply reflects the informal nature of our service as a free alternative to the courts, and no discourtesy is intended by it. If there's something I haven't mentioned, it isn't because I've ignored it. It's since I don't need to comment on each individual argument to reach my decision.

Having reviewed this complaint carefully, I agree with the outcome reached by our investigator. I'll set out my reasons for that below.

Aviva was not responsible for the sale of Mr V's policy. I note this because he has set out some submissions relating to what he was told when he took out his policy. If Mr V is dissatisfied with the process of taking out his cover through the third party, he may consider a separate complaint to that business.

Industry rules set out by the regulator (the Financial Conduct Authority) say that, amongst other things, insurers must handle claims promptly and fairly. I've taken these rules into account when making my final decision.

However, we do not act in the capacity of a regulator. That remit falls to the 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.

Aviva has explained to Mr V the reasons why it uses a fee schedule. This is because specialists are able to decide their own charges. Private medical insurance doesn't guarantee Mr V access to private medical care or the specialist of his choosing. Instead, the policy requires Aviva to cover the cost of private medical treatment in certain circumstances, subject to the criteria set out in the policy terms and conditions. That criteria includes the payment of fees up to the limits set out in Aviva's fee schedule.

I haven't set out any extracts from the policy terms and conditions here, because neither party disputes that they apply to Mr V's claim. For completeness, I am satisfied that the

terms are clear and not misleading. And Aviva's process of paying private medical insurance claims in line with a fee schedule isn't unfair or unreasonable, nor is it unusual. This is how many private medical insurance policies work, including for the cost of care within London. Mr V is unhappy about Aviva's method of determining and applying fees at the level it has chosen, particularly for those living in London where costs are higher.

Aviva says its fee schedule keeps premiums at an appropriate level, while taking the complexity of medical procedures into account. I am satisfied that is reasonable; an insurer can undertake commercial decisions about the maximum cost it is prepared to pay for private medical treatment as long as it does so reasonably, and applies this consistently for all of its policyholders in the same circumstances.

For that reason, Aviva set out clear terms and conditions relating to its fee guidelines, along with explanations in its Product Information Document and Demands and Needs Document before Mr V took out his policy. Those terms say how specialist, practitioner and hospital fees will be covered up to the limits in Aviva's fee schedule, with Mr V being responsible to pay the balance.

When Mr V sought to pursue his claim – prior to the initial consultation with Mr R – Aviva made clear that if Mr V proceeded with his chosen specialist, he may experience a shortfall in the reimbursed cost of consultations and any subsequent procedure beyond the fee schedule. It was Mr V's choice to go ahead with the procedure with Mr R, instead of making enquiries about the ability and experience of alternative specialists that would adhere to Aviva's fee schedule, something Aviva told Mr V it would help him with. And, I haven't seen any objective evidence that Mr R would not have been able to receive treatment with a fee assured specialist in London.

I appreciate Mr V believes strongly that the fee schedule is unfair; however, I don't agree with that contention or otherwise find Aviva to have acted unfairly in all of the circumstances of this complaint, for the reasons outlined. I cannot therefore ask Aviva to reimburse Mr V for the additional costs paid in relation to his consultation and procedure with Mr R.

My final decision

I do not uphold this complaint, or make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 9 September 2025.

Jo Storey
Ombudsman