

The complaint

Mr R is unhappy that BUPA Insurance Limited (BUPA) declined his private medical insurance claim and with how the claim had been handled.

What happened

Mr R has a group private medical insurance policy. BUPA is the underwriter.

Mr R made a claim for a skin condition. BUPA declined the claim – it said the condition was considered to be chronic and was excluded under the policy.

Unhappy Mr R made a complaint to BUPA. BUPA maintained its position to declined. But it said that it should have informed Mr R the decision sooner so it offered him £100 compensation in recognition of this.

Mr R brought his complaint to this service. BUPA increased its offer to £250 at this point. Our investigator didn't uphold the complaint. He thought BUPA had declined the claim fairly. And he thought the £250 compensation offered by BUPA was fair and reasonable.

Mr R disagreed and asked for the complaint to be referred to an ombudsman. So, it's 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.

At the outset I want to acknowledge the difficult time Mr R has experienced with his condition. I'm sorry for this.

I'd also like to reassure Mr R that whilst I've summarised the background to his complaint and his submissions to us, I've carefully considered all he's said and sent us. Within this decision though, I haven't commented on each point he's raised and nor do our rules require me to. Instead, I've focused on what I consider to be the key issues.

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').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly. I've taken these rules into account, amongst other relevant considerations, such as industry principles and rules, the policy terms and conditions and the available evidence, when looking at this complaint.

The policy terms and conditions

I've started by looking at the relevant policy terms and conditions. This states:

Acute condition is defined in the policy on page 45 as:

'A disease, illness or injury that is likely to respond quickly to treatment which aims to return you to the state of health you were in immediately before suffering the disease, illness or injury, or which leads to your full recovery.'

And chronic conditions are excluded from cover on the policy. Page 27 of the policy document states:

'Treatment of chronic conditions isn't covered. By this, we mean a disease, illness or injury which has one or more of the following characteristics:

- *It needs ongoing or long-term monitoring through consultations, examinations check-ups or tests*
- *It needs ongoing or long-term control or relief of symptoms*
- *It requires rehabilitation or for you to be specifically trained to cope with it*
- *It continues indefinitely*
- *It has no known cure*
- *It's likely back or is likely to come back'*

BUPA said the condition Mr R suffers from is excluded under the policy. I've considered whether this is fair based on the information available.

Mr R was diagnosed with a skin condition which is considered to be chronic. This is because it often needs consultations over a long period of time and long-term therapy or treatment to keep symptoms under control.

I've looked at the British Association of Dermatologists website and the NHS website. The skin condition is explained to be inflammatory and usually gets better in 9 to 18 months. There is no known cure, and the aim of the treatment is to control the condition and reduce the symptoms.

So based on what the policy states about chronic conditions, I'm satisfied the skin condition is chronic and is therefore excluded from cover on the policy.

I note the letter from Mr R's dermatologist dated 30 April 2025 regarding the phototherapy treatment. This says: *'I am hoping that this cures his skin problem and it will not therefore be chronic.'* I'm not persuaded that this confirms the condition *isn't* chronic. In any case, based on what I've, the skin condition is considered to be chronic.

I'm not persuaded therefore that the claim has been declined unfairly or outside the terms and conditions of the policy by BUPA.

BUPA's handling of the claim

It's not in dispute that the claim could have been handled better by BUPA. It has accepted that Mr R should have been informed sooner that the treatment wouldn't be covered.

BUPA initially offered Mr R £100 compensation and when the complaint was brought to this service, BUPA increased the offer to £250 compensation.

I've considered what happened and I'm satisfied that BUPA could have handled the claim better. So, the matter at hand is whether the £250 compensation offered is fair and reasonable in the circumstances of this complaint.

Mr R says BUPA had three separate occasions to make him aware the treatment wasn't covered under the policy. And whilst BUPA has acknowledged this, he doesn't think it has provided a satisfactory remedy for this.

I have great deal of sympathy for the situation Mr R has found himself in. And I can understand why he believes he should receive a more significant amount for the trouble and upset he has incurred. However, as an alternative dispute resolution service, our awards are lower than he might expect and probably less than a court might award.

Having carefully considered the information provided to me, I agree that BUPA should have informed Mr R sooner than it did that the claim wasn't eligible for cover. And I agree that it had more than one opportunity to have done so. BUPA should have in particular explained to Mr R that if the skin condition was diagnosed then it would be considered as chronic and therefore would be excluded from cover. BUPA failed to do this on more than one occasion and that led Mr R to believe that if he went ahead with the treatment, then he would be covered. There's clearly been an impact on Mr R for this lack of communication and clarity.

The calls Mr R had with BUPA on 24 December 2024, and 3 January 2025 should have informed him that the skin condition wouldn't be covered. BUPA had the opportunity to do this, but it's also accepted that it fell short on these occasions.

However, having thought about everything, I think £250 is fair and reasonable compensation for what happened. Mr R explained to BUPA from the outset the nature of his enquiry and what he was looking from BUPA to help him. The principal error on BUPA's part was that it didn't inform Mr R that the skin condition would be excluded from cover. I appreciate this amount is not what Mr R expects. But I think the compensation fairly reflects the impact caused to Mr R in BUPA not informing him sooner that the claim wouldn't be covered. The claim would never have been covered due to its chronic nature and whilst I agree that BUPA allowed for the consultations to be approved, I'm only considering the impact of the frustration caused and delays that could have been avoided.

Mr R also says he underwent a biopsy on the basis that this was the next step to gain access to the treatment. This procedure required stitches and has left him with a lifelong scar which has affected his health and his mental wellbeing. I understand Mr R is unhappy that a biopsy was recommended. This must have been difficult to bear. However, the consultant recommended a biopsy but it's not for BUPA to challenge or question this decision. The policy relies on medical opinions of specialists and if Mr R feels the biopsy was unnecessary, that's something he will have to refer to the specialist directly.

Mr R has said that he's been advised that there have been many incidents where the insurance company has stated that no cover will be provided for treatment for his condition, and the same reasons have been given. And following protest from customers, treatment has been agreed. Mr R has questioned BUPA's consistency in dealing with these types of claims. I'm afraid I can't comment on what's happened on other customers policies as policies do differ based on various factors that have been applied. I can only consider the individual merits of this complaint based on the information that's available.

Overall, based on everything, I'm sorry to disappoint Mr R. I'm not persuaded that the claim has been declined unfairly or outside the terms and conditions of the policy.

I do think BUPA could have handled the claim better and failed in communicating to Mr R more clearly that the condition would have been excluded sooner. So, for this, I think £250 is fair and reasonable compensation for the distress and inconvenience caused to Mr R.

Putting things right

I direct BUPA Insurance Limited to pay Mr R £250 compensation for the distress and inconvenience caused to him.

My final decision

For the reasons given above, I partially uphold Mr R's complaint about BUPA Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 December 2025.

Nimisha Radia
Ombudsman