DRN-4301693

The complaint

Mr R complains about how Western Provident Association Limited (WPA) dealt with a claim against his private medical insurance policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, Mr R has private medical insurance underwritten by WPA. On 19 May 2022, Mr R's GP referred him for investigations for a breast lump. On 26 May 2022, Mr R made a claim against his private medical insurance policy. On the same date, WPA authorised Mr R's claim for out-patient tests and investigations such as x-rays, ultrasound and blood tests. I'll refer to that authorisation in more detail below.

On 27 May 2022, Mr R saw a consultant and had blood tests, an ultrasound, biopsy and x-ray. He had a further consultation on 1 June 2022. On 9 June 2022, WPA authorised complex scans and diagnostic surgical procedures. Mr R had a further consultation on 5 July 2022.

WPA subsequently settled Mr R's claim in part, leaving a shortfall for Mr R to pay. Mr R didn't think that was fair and pursued his complaint.

Mr R says that WPA's letter of 26 May 2022 led him to believe that all his treatment and tests were covered. He says that he was highly anxious about his health and didn't have time to phone WPA to check if the tests and investigations were covered. Mr R says that it's unreasonable to expect him to understand that a mammogram, ultrasound and blood tests would all be considered simple tests and subject to the £350 limit. He says that if he'd known that he had to pay he would have reconsidered and had the tests and investigations in the NHS. Mr R wants WPA to settle his claim in full.

One of our investigators looked at what had happened. She didn't think that WPA had acted unfairly. The investigator said that WPA had handled the claim in line with the policy terms.

Mr R didn't agree with the investigator and asked that an ombudsman consider his complaint, so it was 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.

The relevant rules and industry guidance say that WPA has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I don't uphold Mr R's complaint because I don't think that WPA treated him unfairly or unreasonably. I say that because:

- Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and on what terms and set these out in the terms and conditions of the policy. In Mr R's case, there's a '*Shared Responsibility*' (a co-payment) of 25% up to a maximum of £250 each policy year and an out-patient limit of £350 each policy year.

- I've looked carefully at WPA's letter to Mr R of 26 May 2022. That letter authorised out-patient tests and investigations such as x-rays, ultrasound and blood tests but didn't authorise more complex scans, investigations or treatment including diagnostic surgical procedures. WPA said that it required a report from Mr R's GP in order to authorise complex investigations or treatment. That letter also enclosed WPA's terms and conditions of its authorisation, which summarised the relevant benefit limit of £350 and the '*Shared Responsibility'* payment.

- In its letter to Mr R on 9 June 2022, WPA also authorised complex scans and diagnostic surgical procedures. It again referred to the benefit limit and '*Shared Responsibility*' payment.

- I think that the information WPA provided to Mr R was clear and not misleading. I appreciate that Mr R was worried about his health and wanted to progress things as quickly as possible, but I don't think that alters the outcome here. WPA was entitled to assess Mr R's claim in accordance with the policy terms. I don't think that it acted unfairly or unreasonably in doing so.

- In his exchanges with WPA, Mr R said it wasn't clear what amounted to a simple test and came within the £350 benefit limit. As I've said above, I think that WPA's authorisation letters were clear. In any event, the out-patient benefit limit was exceeded on 27 May 2022. So further consideration of the difference between simple tests and complex tests, investigations and treatment wouldn't alter the outcome here.

- I'm sorry to disappoint Mr R but there are no grounds on which I can fairly direct WPA to settle his claim in full.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 October 2023.

Louise Povey
Ombudsman