

## **The complaint**

The estate of Miss S has complained about the way Aviva Insurance Limited ('Aviva') handled a claim.

## **What happened**

Miss S had a private medical insurance policy, underwritten by Aviva.

Due to serious ill health in 2022, Miss S was admitted and transferred to a private hospital. Aviva confirmed the hospital she was transferred to wasn't included in her hospital list and she would need to be moved to an alternative hospital. Sadly, Miss S passed away.

The estate made a complaint to Aviva. Aviva said the full hospital costs weren't covered but it would pay costs in line with the terms and conditions of the policy.

Unhappy, the estate referred the complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint and found that Aviva hadn't acted unreasonably or unfairly as it had told Miss S that she needed to be transferred to a hospital on her list for full cover.

The estate disagreed and in summary, has made the following comments:

- Aviva should have done more to alert its members about the effects Covid-19 had on private hospital lists. Had it done so, Miss S would have chosen a more extensive hospital list to ensure she received treatment quickly.
- Aviva failed to assist Miss S during a difficult time. It should have facilitated a transfer to another hospital and made an exception to avoid Miss S being exposed to overcrowded hospitals.

And so the case has been passed to me for a decision,

## **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.

Having done so, and whilst I'm very sorry to hear of Miss S' passing, I don't think this complaint should be upheld. I'll explain why.

- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.
- I have carefully considered all submissions made by the estate. But my decision will focus on what I consider to be key. The background is well known to both parties and has been set out clearly by the investigator, so I won't rehearse the full facts here.

- Miss S had a policy with a Trust hospital list. She was admitted into hospital in 2022.
- The estate has asked Aviva to pay the full costs of the hospital Miss S was admitted to, even though it wasn't on her chosen hospital list.
- The policy says: *"If you receive treatment as an in-patient or day-patient in a hospital or facility that is not: Included on your hospital list, or included on one of our networks, or An NHS pay-bed at an NHS hospital but is recognised by us, we will calculate the average cost of hospital charges for equivalent treatment across all hospitals on your list and that average cost is the maximum we will pay."*
- Miss S' consultant requested a transfer to a different hospital as the hospital she was in, wasn't accepting new patients into the private wing. Aviva said the hospital the consultant had requested the transfer to wasn't in Miss S' hospital list and it provided details of other hospitals which were within her list. It also said it would consider information from her consultant about why the hospital he had requested was the only suitable location for treatment. Aviva said the letter provided by the consultant didn't explain why Miss S couldn't be transferred to any of the other hospitals on her approved list, and so it declined to pay the full cost of care.
- Sadly, Miss S passed away shortly after her admission. The estate has said that Aviva should have done more to assist Miss S in transferring her to a hospital within her list and should have told all policyholders about the effects of the Covid-19 pandemic on the availability of beds within private hospitals.
- I've considered whether Aviva was obliged to do anything more about the availability of private hospitals during the Covid-19 pandemic. I can't hold Aviva responsible for the effects of the Covid-19 pandemic on private hospitals and it can't be held responsible for any non-availability. As there were other hospitals on Miss S' list that may have been available, I can't say Aviva should have done anything differently.
- I note the estate says Aviva could have done more to facilitate a hospital transfer or make an exception to the hospital which was used but Aviva is under no obligation to do this. Instead, Aviva is expected to provide benefits in line with the terms and conditions of the policy and I am satisfied that it provided clear information about the hospitals which were included on Miss S' list.
- Aviva responded to the complaint and asked for an itemised bill to show the treatment Miss S received so that it could calculate the contribution it would make to costs. I think this is reasonable, but I haven't seen any evidence that this has been provided to Aviva yet. Without a bill and the information it has asked for, Aviva cannot assess the amount of benefit payable.
- Overall, Aviva has acted fairly and in line with the policy terms and conditions. So I can't ask it to pay costs in full.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Miss S to accept or reject my decision before 11 January 2024.

Shamaila Hussain

**Ombudsman**