

The complaint

Mr B complains about the way Vitality Health Limited has administered his personal private medical insurance policy.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the key events.

In September 2022, Mr B took out a personal private medical insurance policy with Vitality. The policy offered a number of benefits, including the chance to earn points for exercise and cash-back on a charge card account. Vitality also offered members the chance to buy a specific brand of exercise bike through its 'Member Zone' directly and potentially receive an amount of cash-back towards it if certain conditions were met.

Subsequently, in December 2022, Mr B got in touch with Vitality's online chat service to complain that he hadn't received cash-back after using the bike and he hadn't been receiving exercise points for using it either. Vitality told Mr B that he wasn't eligible for cash-back because he hadn't bought the bike through the Member Zone – he'd bought it independently. It agreed to look into the points issue.

Mr B was unhappy with Vitality's administration of his policy. He felt it had taken too long to respond to his online chat query; he didn't think the online information was sufficiently clear about the need to buy the bike through Vitality in order to benefit from the cash-back; he didn't think the points issue had been resolved and he said cash-back hadn't been added to his charge card account. He was also unhappy because he felt a 'refer-a-friend' scheme offered by Vitality was unclear. He said this had put some of his friends off joining Vitality and had led to him losing out on a number of reward vouchers.

Vitality thought the Member Zone gave clear information about how the bike cash-back offer worked. It also thought the refer-a-friend scheme process was clear. It felt the charge card provider was responsible for any issues with cash-back showing on Mr B's charge card. It said Mr B had earned the maximum available exercise points via another exercise app. But it acknowledged there had been delays in it responding to Mr B and so it offered him £50 compensation.

Mr B remained unhappy with Vitality's position and so he asked us to look into his complaint.

Our investigator didn't think Mr B's complaint should be upheld. She didn't think we could look into Mr B's concerns about the delays in responding to the online chat query, as she didn't think it was related to a regulated financial activity. She thought both the bike cash-back scheme and refer-a-friend scheme's terms were clear and not misleading. She didn't think Vitality could be held responsible for the charge card provider's actions. And she was satisfied Mr B hadn't been disadvantaged by the failure to upload points specifically related to using his bike. While she considered there had been delays in Vitality dealing with Mr B's concerns, she thought the compensation it had already offered him was fair and reasonable.

Mr B disagreed and so the complaint's been 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.

Having done so, whilst I'm sorry to disappoint Mr B, I think Vitality has already offered him fair compensation and I'll explain why.

First, I'd like to reassure Mr B that while I've summarised the background to his complaint and his submissions to us, I've carefully considered all he's said and sent us. In this decision though, I haven't commented on each point he's raised and our rules don't require me to. Instead, I've focused on what I think are the key issues.

The relevant regulator's principles say that financial businesses must pay due regard to the interests of their customers and treat them fairly. And that financial businesses must communicate with their customers in a way that is clear, fair and not misleading. I've taken these principles into account, amongst other things, when deciding whether I think Vitality has treated Mr B fairly.

Did Vitality give Mr B clear information about the bike cash-back scheme?

Mr B feels strongly that Vitality didn't provide enough clear information about the way the bike cash-back scheme worked. He therefore thinks this caused him to lose out on the cash-back offer. So I've looked carefully at the way the scheme offer was set out on the 'Member Zone' area. This is displayed as follows:

'Earn cashback on (the bike) when you stay active

Now working out can work off your...(bike). If you achieve ten (bike) Active Days a month, you'll start earning cashback on your (bike).. Depending on how many (bike) Active Days you complete, you can receive up to £630 cashback on (the bike), or up to £1,026 cashback on (the bike) Cashback is payable monthly, over 36 months. You'll need (the bike brand) All-Access Membership which costs £39 a month.

If you already have a gym membership through one of Vitality's partners, you're unable to sign up for the (bike) cashback offer.

...

Order and Pay

Choose your (bike) hardware and go to the "order from specific brand" link below. Click 'Chat to learn more' and complete your order via (brand's) online chat service, to activate Vitality cashback. Pay for your All-Access Membership (£39/mo) (My emphasis added).

A link to the offer terms and conditions was provided immediately below.

In my view, overall, the information is set out in a clear, fair and not misleading way. I think Vitality made it clear that to benefit from the cashback offer, a customer would need to follow a specific order process and that they'd need to buy a bike directly through the Member Zone offer. I think the information sufficiently clearly explained that a member would need to order the bike by following Vitality's specific link to the bike brand and then complete their

order through the brand's online chat service. In this case, as Mr B didn't buy his bike through Vitality or follow this process, I don't think it was unfair for Vitality to conclude that Mr B wasn't entitled to cashback under the terms of the scheme.

Mr B's exercise points

The evidence both parties have provided shows that there was an issue with Mr B's account linking to his cycle workouts and uploading exercise points. Mr B raised this on a number of occasions. Vitality raised internal queries to look into this issue for Mr B and it did make suggestions that he should try and re-link the bike to his account.

However, the evidence also shows that the reason the points weren't displaying was because Mr B was earning the maximum level of points through another exercise app. So while it doesn't appear that Mr B has suffered a financial impact as a result of the issue and it seems he has been credited with the points he was entitled to, I do think Vitality could have told Mr B the reason for the issue sooner. Mr B says he did additional workouts to try and earn points via another means. I accept this is possible. But I don't think I have enough persuasive evidence that Mr B was put to such significant extra time or effort in obtaining the points that I could reasonably find that Vitality should pay more compensation.

The refer-a-friend offer

Mr B feels that the refer-a-friend offer isn't clearly explained and he also says that parts of the process didn't need to be followed in practice. Vitality's information says:

'How to refer a friend

How does it work?

If you refer a friend to Vitality and they take out a qualifying Health or Life plan directly from us, you'll both get rewarded with a £100 (retailer) Gift Card.

You'll receive your reward after your friend pays their third monthly premium. There's no limit to how many referrals you can make – so you can share your love for Vitality as much as you like with friends and family!

Terms and conditions apply

How to refer a friend

Check your details are correct and agree to our terms

You'll need to update your details and give your consent. Follow the link to the My details page below to get started.

1. Generate and share your unique referral code

Once you accept the terms, click the 'Generate a code' button to share with as many friends as you like. Send a personalised message - inviting them to get a quick online quote from Vitality.

2. Ask your friend to confirm their Vitality membership number

Once they've taken out a qualifying plan, directly from us, we'll send them two emails. The first is a welcome email. The second will prompt them to select their reward. They need to click the link and enter their Vitality membership number in order for you both to get £100.

3. Get rewarded a £100 Gift Card

Once your friend has paid their premiums for three months, and we've checked you're both qualifying Vitality members, you'll receive an email with instructions for how to claim your reward. This link is only valid for 90 days.'

I think Vitality has clearly explained how the refer-a-friend scheme works and what both a member and the person they're referring need to do in order to benefit from it. And the evidence suggests that Mr B has already successfully received a voucher from the scheme. I appreciate Mr B says that some potential referrals were put off by the process and that another didn't need to follow the process. I don't doubt this would have been frustrating for Mr B. But as I don't think the process is unclear or misleading in any way, I don't think I could reasonably award compensation for any potential loss of rewards Mr B may have suffered.

Charge card cash-back

It's clear that Mr B had concerns that the cash-back he'd earned through the linked scheme wasn't being shown on his charge card statements. And I appreciate that Vitality and the charge card provider both directed Mr B to one another. I accept this must have been frustrating for Mr B. However, Vitality indicated that the cash-back is paid 13 months after the policy is taken out, so the issue was only a cosmetic one – it said while Mr B couldn't see cash-back accruing, the cash-back would be paid when it was due.

Mr B has told us that this particular issue has now been resolved, which I was pleased to note. However, he's now told us he wasn't paid the correct amount of cash-back. This is a new complaint point which Mr B will need to raise with Vitality before we can potentially look into it.

Delays in dealing with Mr B's concerns

It's clear that Vitality accepts there were some delays in it responding to Mr B's queries and concerns. And that it continued to send Mr B complaint acknowledgement letters even after it had issued its first final response letter to his complaint. I don't doubt that this caused Mr B some unnecessary frustration and upset, especially taken together with its failure to tell Mr B why his bike points weren't being shown. I appreciate too that Vitality caused Mr B some inconvenience. Mr B's told how he was affected by these issues and I sympathise with his position. I'm mindful too that Mr B says he was upset by Vitality's suggestions as to how he could access software which made the readability of its materials more accessible – although I do think Vitality was genuinely trying to provide Mr B with support.

But my role isn't to fine or punish the businesses we cover. And all in all, I'm satisfied that a total award of £50 compensation is fair, reasonable and proportionate in all the circumstances. So I'm not telling Vitality to pay Mr B anything more.

My final decision

For the reasons I've given above, my final decision is that Vitality has already made a fair offer to settle Mr B's complaint.

I direct Vitality Health Limited to pay Mr B £50 compensation if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 May 2024.

Lisa Barham

Ombudsman