

The complaint

Mrs B and Mr M complaint that Western Provident Association Limited (“WPA”) unfairly reversed a decision to cover treatment for Mr M on their private medical insurance policy.

What happened

Both sides are familiar with the events leading up to this complaint, so I’ll only set out what happened very briefly.

Mrs B and Mr M had a private medical insurance policy underwritten by WPA. They complained that in July 2022 WPA approved a doctor’s visit and a scan for Mr M, but reversed its approval after that had taken place leaving them liable for the costs. They also said the overriding reason for the reversal was because WPA linked the claim to previous abdominal problems which were unrelated.

WPA said it had only approved a consultation for Mr M in July 2022, and neither the blood tests or scan that he underwent afterwards had been authorised. It explained the policy was underwritten on a moratorium basis, and said Mr M’s symptoms had occurred within time periods not covered by the policy.

When Mrs B and Mr M approached this service they told us they’d experienced a number of different issues with WPA, and thought its blanket approach appeared to be just rejecting claims and letting customers dispute them.

One of our investigators looked at what happened but did not think the complaint should be upheld. They said WPA had declined the claim fairly given the timing of Mr M’s symptoms and the terms and conditions of the policy. They also said WPA had sent a letter in September 2021 which explained that no further benefits would be paid. And that it hadn’t authorise the blood tests or scans Mr M went on to have.

Mrs B and Mr M disagreed with our investigator’s opinion and said they weren’t told that no further benefits would be covered. They also said that using abdominal pain as a way of avoiding paying was so vague, and that regardless of anything else WPA had done it had given them an authorisation code for the scan.

So as no agreement was reached this complaint 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.

Y I thank Mrs B and Mr M for taking the time to set out their position. Before I set out my findings I will highlight that this decision will not address every point or argument made. It will focus on those matters I consider central to the outcome of this complaint, and for the reasons I’ll go on to explain I will not be upholding it.

The scan authorisation

Mrs B and Mr M say that WPA approved a doctor's visit and a scan when they spoke to it in July 2022. During the authorisation call WPA explained it would agree to cover a consultation, and it said it would need clinic letters from Mr M's previous consultation as well as his current one too. But there was no mention of WPA approving a scan or blood tests, so I cannot agree that these were authorised as claimed.

Mrs B and Mr M also say WPA sent them an authorisation code for the scan following that call. But whilst WPA explained it would send Mrs B and Mr M a reference number they could use when sending their invoice over, it did not refer to this number being in relation to either a scan or blood tests and so again, I cannot fairly agree that these were authorised.

Having said that, I understand that WPA did go on to pay for the above blood tests in error and confirmed it would not be seeking to recoup those costs given it was its mistake. And in all the circumstances I think that was fair.

The claim decline

WPA has a responsibility to handle claims both promptly and fairly, and not reject them unreasonably.

Mrs B and Mr M's policy started on 28 February 2021. It was underwritten on a moratorium basis which the policy terms and conditions explained as:

"7.4.2 Moratorium Underwriting (sometimes referred to as Mori)

If you have moratorium underwriting you will not be eligible to claim for at least two years, for any condition(s) which you had during the five years before your policy starts or which occurred in the first 14 days after you joined us. We call these pre-existing conditions.

If you do not have any symptoms, treatment, medication or advice for pre-existing conditions for two continuous years after the policy starts, benefit will then be available. We refer to this as a two year clear period."

The policy terms and conditions also listed what wouldn't be covered under the policy, and that included:

"Pre-existing conditions – subject to the underwriting of your policy.

- *Any disease, illness or injury for which:*
 - *You have received medication, advice or treatment; or*
 - *You have experienced symptoms, whether the condition has been diagnosed or not before the start of your cover; or*
 - *Any symptom or condition, whether diagnosed or not, which occurs in the first 14 days of cover unless agreed and accepted by us in writing in advance."*

When Mr M presented with a claim for abdominal pain in April 2021 WPA authorised initial tests and investigations for him. However, when a clinic letter that followed in May 2021 said Mr M had a history of abdominal pain WPA asked for further information. That was by way of a GP referral letter it hadn't yet received, and given the timescales that applied to the moratorium underwriting here I don't think that request was unreasonable.

WPA received the requested GP referral letter in June 2021. It was dated April 2021 and said Mr M had been experiencing upper abdominal problems for about a year. It also said that following an ultrasound Mr M had been told by a gastroenterologist that he had chronic

gastritis and gallstones. Subsequently, WPA declined to provide any further benefit and given the medical evidence indicated the moratorium underwriting hadn't been satisfied I don't think that decline was unreasonable either.

WPA wrote to Mr M to in September 2021 to explain:

"...no further benefit can be provided as your GP referral letter dated 8 April 2021, confirmed that your symptoms had existed for a year. As you joined on a moratorium basis we are unable to provide benefit for symptoms experienced within 5 years prior to your underwriting date which is 28 February 2021."

Mrs B and Mr M say they did not get that letter and would not have remained paying customers for almost a year following it if they had. There's no additional evidence to corroborate the letter not being delivered. But even if I were to find that Mrs B and Mr M did not receive it, they would still have had the benefit of the policy in the time that followed September 2021. I say that because the policy provided a variety of benefits that, subject to the relevant terms and conditions, Mrs B and Mr M would have remained eligible to claim for. And so it would not be fair of me to conclude that the policy was likely to have been cancelled on receipt of the September 2021 letter alone.

I'm aware that when Mr M raised a claim for gallstones in 2022 Mrs B and Mr M explained the symptom history in the referral letter had been incorrect. A revised referral letter dated 26 March 2021 was provided to WPA as a result. But it said Mr M's symptoms had only been present for two weeks, therefore indicating a commencement date of 12 March 2021 which was within the first 14 days of Mr M joining WPA.

So, even taking that amended symptom start date into account I don't think it was unreasonable of WPA to maintain its decline, because that date didn't satisfy the relevant deferment period.

I realise Mrs B and Mr M may be further disappointed by this decision, but I can't agree that WPA declined this claim based on vague abdominal symptoms. I think it declined this claim both fairly and reasonably based on the medical evidence made available to it and the terms and conditions of the policy. So, on this occasion I will not be interfering with WPA's position.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr M to accept or reject my decision before 27 October 2023.

Jade Alexander
Ombudsman