

The complaint

Mr L complains that Vitality Health Limited unfairly refused to apply a discount to his policy renewal.

What happened

Both sides are familiar with the background to this complaint, so rather than setting it out in full again here I'll summarise what happened instead.

Mr L has a private medical insurance policy with Vitality. Benefit for physiotherapy is included within it, through Vitality's network of providers, and having experienced some ongoing tightness from an old sports injury Mr L booked a virtual physiotherapy session. I'll refer to the provider that Mr L had this session with as "provider A".

During that virtual session the physiotherapist at provider A suggested Mr L have an in-person session. And following his first in-person session a course of physiotherapy was recommended. That went ahead, and although the sessions were paid for by Vitality, Mr L raised a complaint about being charged his policy's excess.

Mr L said the physiotherapists at provider A had told him the sessions would be covered in full by Vitality, and had he known that wasn't going to be the case he wouldn't have gone ahead with them.

Provider A accepted responsibility for the incorrect information its physiotherapists had given Mr L and paid him £100 compensation.

Vitality said it had been right to apply the excess because the policy Mr L had chosen came with one and it had been applied in line with the policy terms. But it acknowledged it hadn't sent Mr L a follow up email about the claim after its authorisation which could have reminded him of that excess, so paid a goodwill gesture of £100 too.

When Mr L's policy came up for renewal the following year he also complained that a 4% discount hadn't been applied to his premium because of the previous physiotherapy claim. Mr L said the claim shouldn't have impacted his renewal, given he'd only made it because of incorrect information given by provider A's physiotherapists, and asked for the discount to be applied.

Vitality didn't agree. It said provider A had already compensated Mr L £100 for the incorrect information the physiotherapists had given him, he'd received a goodwill payment of £100 from Vitality too, and the premium wouldn't be repriced as if there'd been no claim because physiotherapy had been claimed for.

Unhappy with that position Mr L approached this service and reiterated why it was only right that the physiotherapy claim be removed and the 4% discount applied. But our investigator didn't think Vitality had acted unreasonably so didn't recommend Mr L's complaint be upheld.

Mr L disagreed at length. Again, I won't recite that disagreement in full again here, but Mr L

raised a number of points about: the extent of his injury at the point he sought treatment and the sequence of events that followed with provider A; the relationship between Vitality and provider A; the compensation and goodwill payments representing admissions of fault and why, given what had happened with the excess, it was only right that the premium discount be applied. Mr L also said that he accepted the remedy provided in relation to the excess and the focus of his complaint was now the premium.

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.

Mr L has set out his position at length and clearly feels very strongly about what happened. Although I've only summarised what happened above I've carefully considered everything that both sides have said. It's important to explain however that I'll not be addressing each and every point that has been made. I will instead be focussing my decision on those matters I think are material to the outcome of this complaint.

It is not disputed that Mr L was given incorrect information by the physiotherapists. Provider A appears to have accepted responsibility for this already and has paid Mr L £100 compensation. Vitality has also accepted it could have done more to remind Mr L of the excess when it approved his claim and has paid him a goodwill gesture of £100.

Because Mr L has told us he accepts the remedy provided in relation to excess I no longer need to determine this particular complaint point. But to avoid any doubt I will clarify that I think the £100 Vitality paid in relation to the excess dispute was both fair and proportionate in the circumstances. I'll now turn to the matters surrounding the premium discount and for the following reasons will not be upholding Mr L's complaint:

- Mr L says the action taken by Vitality was an admission of fault, it's only right a remedy be provided to his premium, and that should be removing his physiotherapy claim and applying the 4% discount.

I understand the position Mr L is taking here but I'm not persuaded it automatically follows that the terms of his policy should be negated because he was awarded compensation. Mr L had the benefit of his policy, by being able to access private physiotherapy, and Vitality paid £146 towards that. The terms and conditions of Mr L's policy set out that the 4% premium discount is only available where no claims have been paid, and that isn't what happened here. A discount of 0% is available where Vitality has paid less than £300 for claims. And so, as that is what happened, I'm satisfied Vitality applied the 0% discount it did in line the relevant policy terms.

- Mr L also says his physiotherapy claim should be removed because he wasn't concerned about the ongoing tightness from his injury and wouldn't have gone ahead with it, but for the misinformation he was given.

While I thank Mr L for explaining why he wouldn't have gone ahead, I'm not persuaded it would be fair of me to direct Vitality to remove this claim. In considering this complaint I must balance what Mr L has said about why he wouldn't have gone ahead, with the reasons he has given for why he chose to pursue physiotherapy too. This was, for example, because the ongoing tightness was taking longer to alleviate itself than he'd expected, and because he wanted to make sure there was nothing more he could be doing through both actions and/or exercises.

I must also bear in mind that Mr L had information available to him that had explained

how and when claims would impact his policy, via the Vitality member zone and the policy documentation. And so on balance I'm not persuaded I can fairly conclude that Mr L would not have gone ahead with his claim but for the misinformation he was given by the physiotherapist.

- Where appropriate this service can request further information about the contractual position between an insurer and its third party provider, but I don't think it necessary for me to do that in the circumstances of this complaint. That Mr L was given incorrect information isn't in dispute and, as above, provider A appears to have accepted responsibility for this already. However, even if I were to find that Vitality was ultimately responsible for Provider A and its physiotherapists' actions, I'd still not be persuaded that it needed to remove the physiotherapy claim and apply the 4% premium discount for all of the reasons already given above.

I realise Mr L will be further disappointed by these findings, but I'll not be interfering with Vitality's position. I am satisfied that Mr L was fairly compensated for his expectations being mismanaged. It doesn't automatically follow that the terms of his policy no longer apply because of that. And Vitality paid a claim for physiotherapy which, in line with the terms of his policy, meant his renewal was not eligible for a 4% discount.

My final decision

My final decision is that I do not uphold this complaint against Vitality Health Limited.

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

Jade Alexander
Ombudsman