

The complaint

Mr J complains because Aviva Insurance Limited ('Aviva') hasn't paid for the full cost of surgery under a private medical insurance policy.

What happened

Mr J was insured under a group private medical insurance policy, provided by Aviva.

Mr J had an initial consultation and surgery performed by a specialist who I'll call 'Mr H'. Aviva only paid a contribution towards the cost of the surgery, as it said Mr H didn't adhere to its published fee schedule.

Unhappy, Mr J complained to Aviva before bringing the matter to the attention of our service.

One of our investigators looked into what had happened and said she didn't think Aviva had acted unfairly or unreasonably in the circumstances.

Mr J didn't agree with our investigator's opinion so the complaint has been referred to me to make a decision as the final stage in our process.

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.

Industry rules set out by the regulator (the Financial Conduct Authority) say that, amongst other things, insurers must handle claims fairly. I've taken these rules into account when making my final decision.

Private medical insurance doesn't guarantee Mr J access to private medical care and/or the specialist of his choosing. Instead, the policy provides for Aviva to cover the cost of private medical treatment in certain circumstances, subject to the criteria set out in the policy terms and conditions. The criteria includes the payment of specialists' fees up to the limits set out in Aviva's fee schedule.

Aviva has explained to Mr J the reasons why it has a fee schedule. This is because specialists can charge as they see fit and its fee schedule keeps premiums at an acceptable level, while taking the complexity and duration of medical procedures into account. Aviva is entitled to make a commercial decision about the maximum cost it is prepared to pay for private medical treatment as long as it does so fairly and treats customers in the same circumstances in the same way, which I'm satisfied it has done.

It's not for Aviva to explain any disparity between its fee schedule and Mr H's fees. What Mr H charges is a matter for him to decide. And, while I accept that Mr H may be experienced and the surgery which was carried out may not be widely performed by others, Mr H's fees aren't something which Aviva needs to take into account when setting its fee schedule for this particular procedure. Aviva has no control over what any specialists charge and it isn't obliged to provide evidence that other reasonable and competent surgeons of the same

degree of experience as Mr H would carry out the surgery in question in line with its fee schedule.

Aviva's process of paying private medical insurance claims in line with a fee schedule isn't unfair or unreasonable, nor is it unusual. This is how many private medical insurance policies work.

Aviva clearly told Mr J on multiple occasions – beginning on 31 January 2022 when it authorised the initial consultation – that there may be shortfalls in the costs which Aviva would cover because Mr H didn't adhere to Aviva's fee schedule.

The list of alternative specialists which Aviva sent to Mr J weren't recommended or endorsed by Aviva. Instead, this was a list of hip specialists who did adhere to Aviva's fees. It was Mr J's choice to go ahead with the procedure with Mr H instead of making enquiries about the ability and experience of alternative specialists who did adhere to Aviva's fee schedule.

Mr J has mentioned an example of vehicle repairs as to why he feels the shortfall he is claiming for should be covered. Motor insurance isn't directly comparable to private medical insurance. The policies operate in different ways, with varying commercial and risk considerations and the responsibilities of motor insurers can be different to those of private medical insurers.

I understand that Mr J saw Mr H as being best placed to carry out his surgery and I'm sorry to disappoint him, but Aviva hasn't acted unfairly or unreasonably in the circumstances and I won't be directing it to do anything further.

My final decision

My final decision is that I don't uphold Mr J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 July 2024.

Leah Nagle
Ombudsman