DRN-5100171

The complaint

Ms R's complained that Vitality Life Limited have unfairly declined the claim she made under the "Core Serious Illness Cover for Children" section of her policy.

What happened

Ms R bought a life and serious illness policy from Vitality a number of years ago. As well as providing cover for her, the policy provided cover of up to £25,000 if a child of Ms R's was diagnosed with a serious illness as defined in the policy.

Ms R now has a child. Sadly, he was diagnosed with a very rare condition which required complex corrective surgery and continues to be monitored. So she made a claim on her policy.

Ms R says she was initially told she couldn't claim because her child's condition isn't one which is covered. But she was advised to make a claim nonetheless to have this fully assessed. Vitality considered the claim but confirmed to Ms R they were declining it because her child's condition wasn't covered.

Ms R appealed the claim decision. And she complained about being told she couldn't claim and about the time Vitality had taken to deal with the claim. In their final response, Vitality accepted their service had fallen short of what Ms R was entitled to expect. They offered her £400 compensation for this and confirmed her appeal was being dealt with. Vitality subsequently confirmed their decision to decline the claim was unchanged. So Ms R brought her complaint to the Financial Ombudsman Service.

Our investigator considered all the information and concluded Vitality didn't need to do any more to resolve the complaint. She was satisfied the policy document set out what conditions are covered – and that it doesn't cover Ms R's child's condition. And she noted Vitality had reviewed the medical evidence against various covered conditions and had it reviewed by their Chief Medical Officer (CMO) before declining the claim.

Ms R didn't agree with our investigator's view. So I've been asked to make a final 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 that, I'm not upholding Ms R's complaint. I understand she may find that decision upsetting and I'm sorry about that. I hope it will help if I explain my reasons.

I was very sorry to read about Ms R's child's condition. It's clear from everything I saw that it's very severe and required significant surgery and aftercare to address it. And the rarity of the condition meant Ms R and her child had to travel to get that treatment. I don't doubt the considerable impact that had on them both.

But Ms R's policy doesn't offer cover based on the severity of a condition. It offers cover for a defined list of conditions, which are set out in an appendix. This is the approach generally taken by insurers who offer serious, or critical, illness cover.

Section C1.1 sets out when Vitality will pay a claim under "Core Serious Illness Cover for Children". The relevant part says:

"We will pay the benefit if your claim meets all of the following criteria:

- *Your child is diagnosed with a serious illness as defined in Appendix 1…."*

Appendix 1 sets out which specific conditions are covered and groups them into 14 different categories.

I've reviewed the Appendix and I'm satisfied the condition Ms R's child was treated for isn't specified. But I can see from the documents provided by Vitality that they didn't rely on this alone to reach their claim decision.

The notes show Vitality considered whether the condition fell within any of the definitions in the Heart and Artery, Gastrointestinal and Respiratory Diseases categories. And they sought advice from their CMO on this point. So I'm satisfied they thoroughly considered all the possibilities before declining the claim.

I can see Ms R forwarded a letter from one of her child's doctors, which the investigator forwarded to Vitality. The doctor referred to the treatment as being "similar" to conditions covered by the policy. I can see Vitality have considered this, but it hasn't changed their view.

As I explained above, the usual approach in policies of this type is to cover particular conditions. I'm satisfied this policy doesn't cover the condition in this case. I'm satisfied Vitality has interpreted their policy broadly to see if they can cover the condition. I don't think the doctor saying the condition is "similar" means I can conclude their decision is unreasonable.

I can see Vitality have acknowledged delay and poor communication with Ms R and have paid her £400 compensation. I think that's reasonable for those shortcomings. But, for the reasons I've explained, I think their decision to decline the claim was reasonable. So I don't think they need to do any more to resolve Ms R's complaint.

My final decision

For the reasons I've explained, I'm not upholding Ms R's complaint about Vitality Life Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 19 December 2024.

Helen Stacey
Ombudsman