Ombudsman Decision
CIFO Reference Number: 25-000266
Complainant: Mr R
Respondent: Cigna Global Insurance Company Limited

Complaint

Mr R complains that Cigna Global Insurance Company Limited ('Cigna'), caused unreasonable delays and procedural failures, revoked a Guarantee of Payment ('GOP'), and refused to pay for submitted medical treatment claims. All these relate to a health insurance policy.

Background

Mr R held a Cigna Platinum Policy from November 2023 which covered costs for Mental and Behavioural Health Care in full, for up to 90 days inpatient treatment per annual policy term. Inpatient care required prior authorisation from Cigna, failure to obtain this would result in Cigna reducing the amount which it paid towards treatment.

In January 2024, Mr R received a Guarantee of Payment (GOP) to pay a provider the agreed costs associated mental health treatment for his daughter at a specialist teen and young adult facility (the 'Clinic'). In this case the GOP was for a 7-night inpatient admission estimated to cost US$ 6,000, subject to any deductible payable (in this case US$1,500). The GOP was issued with the criteria that in the event of a change in diagnosis(es) or procedure(s), Mr R needed to inform Cigna as soon as possible so it could review the guarantee and extend it if appropriate.

[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

Mr R's daughter received treatment at the Clinic for significant periods over 2024 to August 2025. In May 2024, Cigna undertook an internal audit of the Clinic and found that it did not comply with its licensing requirements, resulting in Cigna notifying the clinic on 24 May 2024 it was being removed from its network. Cigna didn't advise Mr R of this audit until 2 September 2024 and confirmed its decision to him on 17 September 2024.

Despite the GOP not being reissued, Cigna paid Mr R's daughter's treatment costs to 17 September 2024 - 255 days totalling US$ 222,887.60.

The CIFO Adjudicator did not uphold Mr R's complaint. She explained that because Cigna had paid for treatment over and above what was eligible under the policy, Cigna had not acted unfairly or unreasonably. She also said that Cigna had acted in line with the rules of the policy which permitted it *'...at [Cigna's] sole discretion and without notification, make changes to the Cigna Healthcare network from time to time by adding and / or removing hospitals, clinics, medical practitioners and pharmacies*.' As a result of the review the Clinic was removed from Cigna's network under section 2, 1 b) of the policy rules: '*a medical practitioner, therapist, hospital, clinic, or facility to whom we have given written notice that we no longer recognise them as a treatment provider. Details of individuals, institutions and organisations to whom we have given such notice may be obtained by calling our Customer Care Team'.*

Subsequent Submissions

Mr R did not accept the CIFO Adjudicator's conclusion and said he wanted an Ombudsman to look at the complaint. In summary, his main points were:

Transparency & Duty to Inform

The four-month gap was a material non-disclosure while his child was receiving in-patient mental-health treatment. Basic fairness requires telling a parent when the facility treating their child is no longer compliant. Withholding that information removed his ability to make safe, informed choices (for example, planned transfer or alternative arrangements).

Claims Handling & Process

He notified Cigna on the 7th day after the initial GOP that treatment was to be extended. Fair claims handling requires timely decisions and clear guidance, especially where an adolescent is in ongoing care.

Evidence vs. Speculation

Mr R says the Adjudicator's opinion leaned on a hypothetical, i.e. that if he had moved his child in May, "more likely than not" further authorisation would have been denied.

Causation & Detriment (what the non-disclosure caused)

Because he was not told of the Clinic's removal in May:

- he lost the opportunity to plan a safe transfer or to seek alternative, compliant care while minimising disruption. After 4 months is easier to move, rather than after 8 months, and limit the potential damage that could have occurred as a result of his child staying longer in an un-licenced facility.
- he faced financial detriment when cover later ceased, and clinical risk from remaining in a facility he would never have knowingly chosen had he known its licensing status.
- The late disclosure immediately prior to renewal compounded prejudice. He renewed in good faith without the full facts and ability to make an informed decision.

5) Remedy Sought (proportionate and fair)

- Finding of unfair conduct in relation to Cigna's failure to disclose the licensing issue in a timely way while his child was in care.
- Reimbursement of treatment costs withheld after 17 September 2024 to redress the financial detriment caused by the non-disclosure and the lack of guidance on authorisation/transfer.

A written apology and a process improvement commitment (notification protocols for members in active treatment when a provider's status materially changes).

Cigna confirmed it had nothing further to add.

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint.

Where necessary or appropriate, in particular where evidence may be missing or incomplete, I reach my conclusions on the balance of probabilities; that is what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances. Mr R may not agree with this approach, but CIFO is a free alternative to a court, and our law permits me to undertake a review of a complaint as I see fit.

The starting point is the insurance contract between Cigna and Mr R. The policy covers a maximum of 90 days inpatient treatment for 'Mental and Behavioural Health Care' and the policy rules exclude treatment where Cigna has given written notice to a medical practitioner, therapist, hospital, clinic, or facility that it no longer recognises them as a treatment provider. Cigna wrote to the clinic in May 2024 giving such notice because the clinic was apparently offering healthcare services without the required licence(s). However, Cigna did not inform Mr R of this at the time. While Cigna informed him in early September 2024 that it was investigating 'inconsistencies' with the provider and its licence to operate, it wasn't until around 17 September that Cigna confirmed to Mr R the clinic was unlicensed and no further payments would be made.

In this case, the requested redress is the cost of the remaining treatment claims from 17 September 2024 to August 2025 which, according to Mr R's complaint form, is US$360,000. At the outset of her review, the Adjudicator advised Mr R that CIFO can only decide a binding award up to a maximum £150,000, any amount over this, if considered applicable, would not be binding on Cigna. Mr R accepted this and requested his complaint be reviewed under our procedures. His rejection of the Adjudicator's recommendation means it's my role to determine whether Cigna acted in error and, if so, should fairly be required to pay any of the remaining treatment costs in settlement of this complaint.

Mr R chose the Clinic to treat his daughter, and a GOP was issued for a 7-day inpatient stay, for an expected cost of $6,000 (less any deductible). This was the basis for the treatment to be covered by the policy, as available to his daughter under the terms that were in place. The GOP was never actively reviewed or updated. At most, Mr R's daughter was only contractually covered for 90 days of inpatient care within a 12-month policy period. Mr R's daughter received 255 days treatment, so 165 days more than the policy entitled her to, and which on the policy terms Cigna was not required to pay.

Cigna was entitled to review the clinic's status and remove it from its list of providers. Cigna advised Mr R of the outcome of its review and gave details of other clinics in its network that may offer the services his daughter might require. Notwithstanding, Mr did not complain to the clinic or remove his daughter. Indeed, Mr R kept his daughter at the clinic until around August 2025 nearly a year after he was given the information from Cigna, including other alternative facilities. As such, I don't find Mr R's submissions about financial detriment and concern about keeping his daughter in an 'unlicensed' clinic persuasive. This is because even armed with the information he took no further action.

Considering all the evidence and arguments in this case, I find that Mr R knowingly continued treatment for his daughter at a facility he had been advised would not be covered by his insurance policy. And his daughter received cover for substantially more inpatient days than the policy entitled her to. So, in terms of the contractual agreement between Mr R and Cigna, I do not find Cigna acted in error to Mr R's detriment. The reverse is true to the extent that Cigna covered far more than it was contractually obliged to.

I'll now briefly address the customer service aspect of the complaint. Cigna has acknowledged to Mr R that its service was poor. It was because of this that Cigna agreed to cover treatment costs up to 17 September, being the day it informed Mr R that it would no longer do so. It would be remiss not to reference some failure points in the communication between Mr R and Cigna. Mr R requested to extend the original GOP, but Cigna didn't respond. His complaints were not acknowledged or responded to in any meaningful way. And although Cigna reasonably investigated an issue about whether

Mr R's daughter's health condition may have been an undisclosed pre-existing matter, it doesn't excuse the poor service and communication with him. I note that in its final response Cigna apologised for any inconvenience caused and so I do not see any merit in asking Cigna to apologise again.

Had Cigna not made an offer of 'compensation' or remedy to put things right I would undoubtedly have required Cigna to do so. Cigna agreed to pay the cost of Mr R's daughter's treatment to 17 September, beyond that originally authorised by the GOP and the point it had concluded to remove the Clinic from its network. In monetary terms, this was tens of thousands of US$ over and above that covered by the policy. Mr R knowingly continued to incur treatment costs for his daughter understanding that they would not be covered because of the license issue. I don't find Cigna responsible for the additional costs. Cigna's customer service was very poor, but I determine that its offer to pay treatment costs way beyond the policy limit to be fair and reasonable in this case.

Final Decision

My final decision is that I do not uphold Mr R's complaint, and I do not require Cigna to take any further action on this matter.

Sean Hamilton
Ombudsman

Date: 05 January 2026