

More than £1m in refunds secured for care home residents

Press release

The CMA has secured more than £1 million in refunds for those NHS funded residents at Care UK premium homes who paid an unfair additional fee towards essential care.



This fee, which in most cases was above £300 per week, was charged to certain residents receiving a special type of funding from the NHS called 'Continuing Healthcare'. This funding is designed to cover the costs of essential care for people with long-term complex health needs.

The Competition and Markets Authority (CMA) considers that Care UK broke consumer protection law by charging this additional fee because it is unfair and contravenes NHS rules. Under these NHS rules, residents funded through Continuing Healthcare must not be required to pay towards their essential care.

Following the CMA's action, which comes as part of a wider probe into the sector, Care UK has agreed to offer repayments to NHS funded residents whose fees went towards their essential care, and more than 160 residents at over 20 Care UK premium homes will be offered compensation by the end of November 2020. The majority of those affected will receive a pay-out of more than £1,000, with some receiving substantially more based on their circumstances.

On top of this, the care homes provider has also signed formal commitments – otherwise known as an undertaking – to stop charging this additional fee altogether for residents at its homes.

Michael Grenfell, Executive Director of Enforcement at the CMA, said:

Older people receiving Continuing Healthcare funding are some of the most vulnerable in our society and should not be expected to pay extra fees for their essential care.

That's why we've worked hard to secure refunds from Care UK for those who paid these unfair fees.

We are pleased to see Care UK committing to make repayments as quickly as possible, and to stop charging this additional fee altogether, which is good news for all current and future residents.

Notes to editors:

1. More information on Care UK's undertaking can be found on the [care homes case page](#).
2. Care UK, as referenced above, consists of Care UK Health and Social Care Holdings Ltd and Care UK Community Partnerships Ltd.
3. All mentions of 'essential care' refer to a care package that meets a specific individual's health and social care needs.
4. Care UK's 'premium' care homes offer enhanced features, including additional communal facilities beyond those found in its 'standard' homes.
5. The additional fee referred to in this press release was charged in Care UK's premium homes in England.
6. Whether a resident will receive a repayment, and the amount of any repayment, will depend on the circumstances of each resident who has paid the additional fee. The CMA will not be publishing details of the amounts provided to individuals.
7. The CMA can only secure refunds for those that paid the additional fee from 1 October 2015, as this is when its redress powers came into force.
8. Care UK will be contacting eligible individuals during November 2020 via letter. However, it may take longer where Care UK has difficulty identifying those to contact, for example where the refund would return to the resident's estate.
9. If you believe that you or your family member is eligible and you have not been contacted by Care UK by the end of November 2020, then you can contact CHC.Fundingoffice@careuk.com.
10. In agreeing the undertaking, Care UK makes no admissions, express or implied, to any breaches of the law.
11. The CMA opened an investigation into a number of care homes providers in June 2017 due to concerns that some of the contract terms and/or practices they use may breach consumer law. The investigation is currently focused on the charging of large upfront fees.

Published 8 October 2020