

The complaint

Mrs R complains that AXA PPP Healthcare Limited turned down her private medical insurance claim after leading her to believe it would be covered.

What happened

Mrs R held private medical insurance cover through her employer. Then in 2021, she transferred to an individual policy with AXA. At the time of the transfer, Mrs R made AXA aware that she'd need to have a transabdominal cerclage if she were to have a child. AXA said it could consider covering this, if it received clinical letters.

In 2021, Mrs R needed a transabdominal cerclage and made a claim. AXA turned down the claim, as it said the treatment would only be covered if Mrs R were pregnant, but she wasn't.

However, AXA accepted that it had led Mrs R to believe she would have cover when she took out the policy, and so it paid £1,196.30 for the cost of her consultations and tests. It also paid her £200 for the inconvenience caused. Unhappy with this, Mrs R brought a complaint to this service.

I issued a provisional decision on 12 August 2022. My findings said:

"The policy covers eligible treatment, which means treatment of a disease, illness or injury where the treatment falls within the benefits of the plan, and isn't excluded. The policy explains there are particular rules for how AXA covers some conditions. It then says the following in respect of cover for pregnancy and childbirth:

"As pregnancy and childbirth are not medical conditions and because the NHS provides for them, our cover is limited.

...

We will cover the additional costs for treatment of medical conditions that arise during your current pregnancy or childbirth."

The policy excludes treatment designed to increase fertility, including treatment to prevent miscarriage. The policy also excludes treatment that is not medically necessary.

In September 2021, Mrs R saw Miss G (consultant in obstetrics and gynaecology). Miss G thought Mrs R would need a transabdominal cerclage, and said Mrs R was aware

this could be done prior to conception or in the early second trimester of pregnancy.

In February 2022, Mrs R saw Dr E (consultant gynaecologist). Dr E thought Mrs R should have a uterine cerclage rather than a cervical stitch. Dr E said he favoured this being done before contemplating pregnancy to maximise its benefit and minimise the risk of inducing miscarriage.

Mrs R has since had the treatment and paid for this herself.

I do sympathise with Mrs R. The difficulty here is that there's limited cover under the policy for pregnancy. Under the policy, the transabdominal cerclage would only potentially be covered if Mrs R needed it whilst pregnant. I'm satisfied that it wouldn't otherwise be covered under the policy, as it was only medically necessary in the event of pregnancy. So I think AXA were correct to turn down the claim.

When Mrs R took out the policy, she told AXA that she would need the treatment if she were to have a child and asked if this would be covered. AXA said this would be something it could look to cover, though it may require clinical letters to support this.

AXA accepts it made a mistake here and led Mrs R to believe the treatment would be covered, without explaining that this would only be the case if she were pregnant. It also later mistakenly told Mrs R that the treatment would be covered.

I'm satisfied Mrs R wasn't disadvantaged as a result of AXA's error. I say that because I don't think Mrs R could've taken out a policy elsewhere that would have covered her for this treatment before pregnancy.

When a business makes an error, we expect them to place the consumer back in the position they would have been in, if not for the error (as far as possible). In Mrs R's case, that means she wouldn't have had cover for the treatment, but she also wouldn't have paid for the private consultations and tests. As AXA has now covered the cost of the consultations and tests, I'm satisfied Mrs R hasn't incurred a financial loss as a result of the error.

However, I accept that Mrs R was caused distress and inconvenience as a result of AXA's mistake, and was likely very disappointed to learn that AXA wouldn't cover the treatment. Although AXA offered Mrs R £200 compensation for this, I intend to require AXA to increase this to £350."

I invited both parties to provide me with any further comments they wished to make before I made a final decision.

Mrs R responded and made the following main points:

- She thinks the language used in my provisional decision infers there was an element of doubt over the fact AXA told her it would cover the treatment. She says AXA did confirm this.
- She says that transabdominal cerclage and uterine cerclage are both referenced in my provisional decision, but they are the same thing.
- She thinks the information from Dr E is incorrect, as a cervical stitch was not suitable for her. She also says she wants me to clarify that Dr E didn't just 'prefer' to do the treatment prior to pregnancy.
- The start date of her individual cover with AXA was incorrect in the background of my provisional decision, as it was 2021 and not 2013.
- AXA told her she would be covered under Dr E, but AXA didn't cover the hospital where he worked. Mrs R says she received a larger than expected hospital bill, but AXA agreed to cover the difference.
- She doesn't agree that the treatment wasn't medically necessary. She says she's intending to have a child, and so it is medically necessary for her to have the uterine cerclage.
- She doesn't agree that she has not been disadvantaged by AXA's error, as she had to pay for the treatment herself.

AXA responded to say it accepted my provisional 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 so, I remain of the same opinion expressed in my provisional decision. I'll explain why.

As I said in my provisional decision, when Mrs R initially asked AXA if it would cover the treatment, she was told it could look to cover this, but would need clinical letters. I think AXA ought to have been clearer and explained this would only be the case if Mrs R were pregnant at the time.

I also accept, as stated in my provisional decision, that AXA did later mistakenly tell Mrs R that it would cover the treatment, and this led to her having consultations and tests.

It is for these reasons that I consider Mrs R was caused unnecessary distress and inconvenience by AXA. Though I remain satisfied that total compensation of £350 would be appropriate in the circumstances.

I'm aware that transabdominal cerclage and uterine cerclage are the same thing. My reference to the two different names in my provisional decision reflected how the medical specialists referred to the treatment.

Whilst Mrs R disagrees with Dr E, my provisional decision merely reflected what Dr E said. Also, although Mrs R wants me to clarify that Dr E didn't just prefer to do the treatment prior to pregnancy, Dr E did say that he would "*favour and recommend*" uterine cerclages before contemplating pregnancy in such situations.

Mrs R has clarified that 2013 was the date she joined her employer's policy with AXA. She's confirmed that she took out her individual cover with AXA in 2021. I'd like to apologise for this error in my provisional decision, which I have now corrected.

Mrs R says she received a larger than expected hospital bill because of AXA. However, she has also confirmed that AXA covered this, and so it remains the case that Mrs R hasn't suffered a financial loss as a result of AXA's error.

Whilst I appreciate Mrs R considers the treatment to be medically necessary, I remain of the opinion that this would only be the case if she were pregnant.

I recognise my decision will disappoint Mrs R, but I don't require AXA to reimburse her for the cost of the treatment, as I'm satisfied its decision to turn down the claim was in line with the policy terms.

My final decision

My final decision is that I partly uphold this complaint. I require AXA PPP Healthcare Limited to increase the compensation payment by a further £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 10 October 2022.

Chantelle Hurn-Ryan

Ombudsman