

The complaint

Mr H is unhappy with the service he received from AXA PPP Healthcare Limited when he claimed on his private medical insurance policy.

What happened

Mr H fell and suffered a serious brain injury which led to him being admitted to a hospital as an emergency inpatient. He needed inpatient treatment for a long period of time.

Mr H's wife contacted AXA to see what support he could access via his private medical insurance policy once he was entering the rehabilitation phase of his treatment. Initially she says she was told Mr H didn't have a policy and, when the policy was located, she was given the wrong information about what the policy covered.

During an audit AXA realised that Mr H had been given the wrong information and that the service he'd received hadn't been to the required standard. AXA sent Mr H £250 compensation although Mr H says he's never received the cheque. Unhappy, Mr H complained to our service.

Our investigator looked into what had happened and didn't uphold the complaint. He said Mr H wasn't out of pocket because he'd been treated on the NHS. And he said AXA would have paid the hospital, not Mr H. He acknowledged AXA had made errors during the calls with Mr H's wife. But, he noted AXA had requested medical evidence to assess the claim which hadn't been provided. So, he thought the £250 compensation AXA had offered was fair.

Mr H didn't agree and asked an ombudsman to review the complaint. He reiterated that AXA categorically told his wife he wasn't covered for treatment and so there was no point in submitting a claim form. Mr H says that had AXA not made mistakes he'd have been able to access private medical treatment and it seems unfair for AXA to financially benefit from their mistakes. And he said he'd not received the £250 compensation yet.

In November 2022 I issued a provisional decision explaining I was intending to uphold Mr H's complaint and award more compensation. I said:

The relevant rules and industry guidelines say AXA has a responsibility to handle claims promptly and fairly. And, they shouldn't reject a claim unreasonably.

It's not disputed that AXA made mistakes when dealing with Mr H's wife – they accept she wasn't given the right information about the policy benefits.

I'm intending to uphold this complaint and direct AXA to pay Mr H £750 compensation. I say that because:

- Mr H had received treatment in intensive care and had a significant period of rehabilitation ahead of him. His wife was told there was no cover for physiotherapy and he'd need to use the NHS or fund treatment himself.

- That wasn't right as the policy did cover physiotherapy as an in-patient or day- patient. This was relevant to Mr H because he was going to receive in-patient treatment as part of his rehabilitation.
- As Mr H was told he didn't have cover he had treatment as an in-patient on the NHS. So, Mr H wasn't able to benefit from the private treatment he pays for.
- Mr H's wife was told to send a clinic letter with information so that AXA could provide her with further information. But when she called back, she was told it wasn't covered at all. So, I can understand why further medical information wasn't provided as Mr H's wife had been told there was no cover.
- AXA says that, had that further information been provided, they'd have asked for more information. They've also said there were general exclusions which would have been relevant to the claim. But, as I've outlined above, Mr H's wife had been told there was no cover and so I don't think it is reasonable to conclude she should have provided further information.
- I can't fairly conclude that it's most likely Mr H's claim would have, ultimately, been covered by AXA. So, I don't think it's fair and reasonable to say AXA should pay an equivalent sum to the claim value to Mr H as it's difficult to calculate what AXA would and wouldn't have covered. And, in any event, Mr H received his treatment on the NHS which means he isn't out of pocket financially for his treatment.
- Mr H was very unwell and, had he been given the right information, he'd have at least had the opportunity to explore making a claim on the policy or to provide more information about the circumstances of his accident.
- I think this was a serious failing by AXA and has caused Mr H to experience distress and inconvenience. I can understand how upset and frustrated Mr H must have been to find out a month later that he'd been given the wrong information – by that time it was too late as Mr H had already received treatment on the NHS. In reaching that conclusion I've taken into account the nature and severity of Mr H's injury and the nature of the policy benefits that he was seeking to access.
- I don't think £250 is enough to put things right in the circumstances of this case. Mr H wasn't able to rely on AXA at a time when he needed their help and support the most. He's explained that he's been left feeling mistrustful of AXA and I can understand why he feels let down by the claims process in the circumstances of this case. I think total compensation of £750 more fairly reflects the poor service Mr H received.
- In reaching my decision I've taken into account that it's unclear, based on the available evidence, whether the claim would have been successful or not. But I still think Mr H should have been given the right information about the policy benefits at a critical time in his recovery and rehabilitation.

Putting things right

AXA needs to put things right by paying Mr H £750 compensation for the wrong information his wife was given during the call about the policy benefits. I think this has caused him distress and inconvenience for the reasons I've explained.

AXA responded to my provisional decision and accepted my findings. They also offered Mr H a further £2000 compensation. In effect, this treated Mr H as if he'd purchased additional NHS cash benefit cover and paid him the maximum benefit that would have been available under that cover option.

Mr H accepted my findings but asked to clarify the amount as he'd not received the cheque for £250. He also queried whether the figure of £250 would be paid in addition to the £750 I'd referred to and the additional £2000 AXA had offered. Our investigator explained Mr H would be receiving a total of £2750 as my award was inclusive of the £250 AXA had initially offered him.

So, I now need to make a 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.

AXA and Mr H accepted my provisional decision. So, there's no reason for me to reach different conclusions about the outcome of this complaint to those which I set out in my provisional decision.

However, AXA has offered Mr H more compensation following my provisional decision, which Mr H has accepted. So, I'll be directing AXA to put things right in a slightly different way.

Putting things right

AXA needs to put things right by paying Mr H a total of £2750 compensation for the wrong information his wife was given during the call about the policy benefits. I think this has caused him distress and inconvenience for the reasons I've explained.

The figure of £2750 includes the compensation of £250 AXA offered Mr H before he complained to our service.

My final decision

I'm upholding Mr H's complaint and direct AXA PPP Healthcare Limited to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 December 2022.

Anna Wilshaw
Ombudsman