

The complaint

Mr G complains about the way AXA PPP Healthcare Limited handled his private medical insurance claim.

What happened

Briefly, Mr G made a private medical insurance claim when he was referred to a specialist for varicose vein treatment.

AXA requested a procedure code before confirming cover at the time. So Mr G sought this from his specialist who provided two, L8513 for EVLA treatment and L8621 for associated foam treatment. AXA issued an authorisation code following this and Mr G commenced treatment. But when Mr G told AXA he'd had the first procedure (L8513) and was booked in for the second (L8621), it said it required a report detailing the clinical necessity for the latter.

As the second procedure was scheduled for the following day at that point, Mr G decided to go ahead to avoid incurring a £100 cancellation fee while he awaited the report requested. But once that was provided AXA declined cover.

AXA said it considered the foam injection being proposed as the second procedure primary treatment rather than a follow up procedure. And it said there was only cover for one primary treatment per leg during the lifetime of the policy which Mr G had already used.

Mr G complained that AXA had given the impression both procedures would be covered and had later given clear inference the foam injection would still be covered if he was able to demonstrate it was clinically necessary. But AXA said it had never confirmed coverage of the foam injection, and given the terms of the policy it would not have been appropriate for it to do so. It agreed to contribute £150 towards the treatment however, which it said it would have paid had Mr G received a simple injection instead as that would have been covered.

Our investigator thought it was fair of AXA to have paid £150 towards the follow up treatment. But they said it should pay £100 in compensation too because it should have known the foam injection wouldn't be covered when Mr G first contacted it, it had raised Mr G's expectations, and Mr G had needed to communicate with it unnecessarily.

Mr G accepted this recommendation, but AXA did not. It accepted it had made a mistake but said it'd provided adequate redress by way of the £150 on an ex-gratis basis. It said it hadn't raised Mr G's expectations either. And it was only trying to help by requesting the additional rationale for the foam injection. So the complaint was passed to me.

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.

My findings will not address every single point or argument made. They will instead address those matters I consider both central and relevant to the outcome of this complaint. Having

considered everything I have reached the same outcome as the investigator before me and will now explain why.

AXA has a responsibility to handle claims both promptly and fairly and to not reject them unreasonably. When it originally asked for a procedure code, Mr G explained the following, *"I have spoken to (the specialist) and they have told me that the procedure code for a EVLA treatment is L8513 and and [sic] associated foam treatment is L8621."*

Given the information provided to it at the time I agree AXA should have known the second procedure wasn't something it would consider follow up treatment and cover. AXA has now acknowledged this mistake, but prior to doing so I note that it replied to Mr G and said:

"...Following our conversation, we're happy to confirm that your [sic] covered for this operation..."

Your plan covers the following:

*One surgical procedure per leg if needed, to treat varicose veins. This may be a foam injection (sclerotherapy), ablation or other surgery. **This is the proposed L8513 procedure** [emphasis added].*

One follow-up consultation with your specialist.

*One simple injection per leg (sclerotherapy) to treat residual or remaining veins when it's carried out in the six months after the main surgical procedure. **This is the proposed L8621 procedure** [emphasis added]."*

Given the chain of correspondence here, I think it was reasonable for Mr G to have taken the above as having meant both L8513 and L8621 would be covered. And so I understand why he commenced treatment as a result.

AXA says Mr G's specialist performed varicose vein surgery all the time and dealt with AXA patients so would have known what was classed as a follow-up procedure. It also says it was Mr G's choice to still go ahead with the foam injection despite having later become aware it might not be covered. I appreciate this but don't think it changes things for Mr G.

He had been provided with two codes from his specialist. He had then given those codes to AXA. And in response he had received correspondence which he reasonably understood to have meant both were covered. Mr G had also gone on to have additional calls with AXA following its mistake, which had further implied that it only needed additional medical rationale before providing cover for the foam injection.

AXA says those calls weren't unnecessary; it was trying to establish eligibility for the second procedure at that point. I agree it was trying to establish eligibility. But I'm mindful that had it identified the second procedure wouldn't be covered when Mr G first provided the codes, it wouldn't have needed to have a number of calls at a later date, even if that were to establish eligibility. Rather, Mr G would have known from the outset and before commencing treatment there'd be no cover for the second procedure.

In an effort to try and remedy its mistake AXA has already contributed £150. I'm pleased it did this, especially as its original authorisation suggested it was prepared to cover a follow up procedure and it would have done had Mr G undergone a simple injection rather than a foam one. But I don't think this remedy quite represents the full impact of AXA's mistake on Mr G and agree compensation is warranted too.

As I noted above, Mr G was reasonably under the impression both procedures would be covered, and with the first having gone ahead was again given the impression the second would be covered if he were able to provide medical rationale for it. Despite providing that he was told there would be no coverage, but AXA has now accepted it should have known this when the two procedure codes were first provided. So, thinking about the impact of that here, I too agree that Mr G was put to unnecessary inconvenience by having to speak to AXA about the matter over a number of calls and seek additional supporting evidence.

For those reasons I also think £100 represents a fair and proportionate reflection of the impact of AXA's mistake on Mr G.

Putting things right

AXA should put things right by paying £100 compensation.

My final decision

My final decision is that I uphold this complaint. AXA PPP Healthcare Limited should put things right in the way I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 January 2023.

Jade Alexander
Ombudsman