

The complaint

Mr W is unhappy AXA PPP Healthcare Limited declined his claim on his group private medical insurance policy.

What happened

Mr W suffers from a condition called Peyronie's disease. He began having consultations and diagnostic tests for his condition in 2022.

AXA covered the costs of these appointments and Mr W kept them up to date with how his condition was progressing.

Mr W's consultant recommended a Lue procedure, but AXA refused to authorise this. They said that the procedure wasn't medically necessary and that it related to sexual dysfunction so under the policy terms the treatment wasn't covered

Mr W disagreed that his condition should be classed as sexual dysfunction. He referred to the International Classification of Diseases (ICD) and Diagnostic and Statistical Manual of Mental Disorders (DSM) in support of this.

He also argued that AXA's website states they cover the Lue procedure, so he's been treated unfairly. And he thinks AXA set a precedent that they were willing to cover his condition because they continued to cover consultations for his condition, even after he stopped experiencing pain.

Mr W referred the matter to this service. Our investigator looked at what had happened and said overall he thought it was reasonable for AXA to decline cover. Mr W disagreed. In summary he said:

- His condition does not fall into the four main categories of sexual dysfunction or the "other section". And there is no medical evidence available that shows he was suffering from "clinically significant distress". So it's unfair for AXA to apply this exclusion.
- He expressed an inclination for the Lue procedure, because it was the least bad option he was given to treat his condition. It wasn't because he wanted the procedure.
- AXA's mistake in providing cover happened on multiple occasions so it shows their staff agreed that the condition should be covered. He believes AXA only denied cover at the point an expensive procedure was required.

The case has been passed to me to decide.

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 don't think AXA treated Mr W unfairly based on the available medical evidence. I'll explain why.

The relevant regulator's rules say an insurer must handle claims promptly and fairly. And they shouldn't turn down claims unreasonably. So I must decide if AXA's decision to reject Mr W's claim was reasonable or not.

The relevant policy terms for this claim state AXA won't cover:

"treatment for sexual dysfunction or anything related to sexual dysfunction" and

"We only cover treatment that is medically necessary. We do not cover treatment that is not medically necessary, or that can be considered a personal choice".

Sexual dysfunction

The policy excludes treatment for sexual dysfunction, or anything related to sexual dysfunction. But it doesn't define what this means.

Mr W has referred to the ICD and that Peyronie's disease doesn't fit into the main categories or the "other" category. He argues this means it can't be classed as a sexual dysfunction. But I've also taken account of how the ICD describes sexual dysfunctions:

"syndromes that comprise the various ways in which adult people may have difficulty experiencing personally satisfying, non-coercive sexual activities. Sexual response is a complex interaction of psychological, interpersonal, social, cultural and physiological processes and one or more of these factors may affect any stage of the sexual response. In order to be considered a sexual dysfunction, the dysfunction must:

- 1) occur frequently, although it may be absent on some occasions;*
- 2) have been present for at least several months; and*
- 3) be associated with clinically significant distress."*

Mr W has said he is unable to have penetrative intercourse with his wife. So, I think it was reasonable for AXA to conclude his condition was causing him to have difficulty experiencing sexual activities. And this would result in significant distress. In addition to having caused him physical pain the past. And the medical evidence shows Mr W has had this condition since 2022 and it's never absent. So taking everything into account, on balance I think it was fair for AXA to say all the criteria set out above for sexual dysfunction was met.

I understand Mr W's comments that his difficulty with sexual activity isn't due to function. I agree his doctor documented he has good erectile function. So I can appreciate why he feels his condition shouldn't fall under the heading "sexual dysfunction". But for the reasons explained above, I'm satisfied on balance it was fair for AXA to conclude the treatment being claimed for was for, or related to, sexual dysfunction. And decline Mr W's claim because of the sexual dysfunction exclusion.

Treatment not medically necessary

AXA have also argued that because Mr W is no longer suffering pain or discomfort, the procedure isn't medically necessary. So the claim also wouldn't be covered for this reason.

Mr W was given four options – one of which was to leave things as they are. As explained above, Mr W said this wouldn't be ideal because he can't have sexual activity with his wife. But I haven't seen any evidence to show that not carrying out the procedure would cause medical harm to Mr W. Or evidence to show a medical expert think Mr W's procedure is medically necessary. In the absence of such evidence, I think it's also reasonable for AXA to rely on this policy term and decline cover in these circumstances.

AXA's website

Mr W is unhappy that AXA list the procedure he is claiming for under the treatment codes on their website.

Whilst I understand Mr W's concerns that this misled him, I don't think it means his claim should be covered.

The website lists all procedures AXA are prepared to cover under all their different group and individual policies - which have different terms and conditions. I haven't seen anything in Mr W's policy terms that state that all the treatments listed in the schedule of procedures and fees will be covered. It's always important for customers to check their own policy terms and conditions to understand whether their treatment is eligible. The policy terms explains that "*there are particular rules for how we cover some conditions, treatment, tests and costs*". And for the reasons I've already explained above, I'm satisfied AXA applied the terms of Mr W's policy fairly in the circumstances of this case.

Cover for diagnostic tests and consultations

AXA continued to provide cover to Mr W for his diagnostic tests and consultations after they should have reasonably known the claim was excluded. I understand that this may have been misleading for Mr W, but it doesn't automatically follow that his claim should be covered.

AXA is entitled to apply the terms of their policy and fairly exclude cover. And for the reasons already explained, that is what they did. But I agree it should have happened sooner. Mr W's expectations were raised, so he was understandably disappointed when AXA declined cover for the procedure. But I must also take into account that Mr W would have still suffered disappointment if AXA had told him he wasn't covered sooner than they did.

Due to AXA's delay, Mr W has had consultations and tests covered which shouldn't have been. So I'm unable to say overall that AXA's mistake negatively impacted Mr W. So I don't think AXA needs to do anything further here.

Summary

On balance it was fair to AXA to decline cover for Mr W's claim based on the available medical evidence. I think they fairly applied the exclusion for sexual dysfunction and there isn't enough evidence to support the treatment is medically necessary.

I know this will be disappointing to Mr W, but overall, I don't think there are reasonable grounds upon which I could fairly ask AXA to accept his claim for this procedure.

My final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 April 2024.

Georgina Gill
Ombudsman