

The complaint

Mr W complains that AXA PPP Healthcare Limited cancelled his private medical insurance policy. He also complains about the conduct of AXA's staff members.

What happened

Mr W held private medical insurance cover with AXA, and was having problems paying the monthly premiums to AXA. Several discussions took place between Mr W and AXA in early 2023 about this issue, and Mr W was able to pay some of the outstanding premiums.

On 29 June, AXA wrote to Mr W to explain it had attempted to take the outstanding amount owed of £249.45 from his bank account, but this had failed. AXA advised him that if the premiums weren't brought up to date, then the policy would be cancelled as of 18 May. As Mr W didn't pay the outstanding premiums, AXA cancelled his policy and backdated this to 18 May.

Mr W complained to AXA about its decision to cancel his policy. He also said that he had been harassed by AXA about the outstanding premiums.

AXA said it had been entitled to cancel Mr W's policy as his premiums weren't paid. It didn't think its staff had harassed him. Unhappy with AXA's response, Mr W brought a complaint to the Financial Ombudsman Service.

Meanwhile, AXA realised that Mr W had made two payments to it amounting to £380 after his policy had been cancelled on 18 May. It returned this amount, and also paid him £200 compensation for failing to refund him earlier.

Our investigator didn't recommend the complaint be upheld. She thought AXA had made it clear to Mr W that his policy would be cancelled if his outstanding premiums weren't paid. She didn't think AXA had done anything wrong by calling Mr W about this. Finally, she thought AXA had put matters right in respect of the premiums paid after the policy was cancelled, and concluded the £200 compensation paid by AXA was reasonable for any inconvenience caused by this.

Mr W didn't accept our investigator's findings, and so the matter has been passed to me for 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.

The policy explains that the insured must pay the subscription for their plan when it is due, and that if the insured breaks any fundamental terms of the plan, AXA can take a number of actions. That includes refusing to pay any claims, and end the plan.

I've read AXA's call notes. I see the parties had a conversation on 22 May, and Mr W owed £374.50 at that time. AXA advised Mr W his policy was due to cancel on 11 June, and he said he would pay the outstanding premiums by this date. Mr W did then pay AXA £250 on 9 June, but this wasn't the full amount owed. AXA tried to collect the outstanding amount of £249.45 in June (which also included the June premium), but couldn't do so.

AXA wrote to Mr W on 29 June to let him know this, and explained he had 45 days to make the payment, or his cover would end as of 18 May. As Mr W didn't bring his premiums up to date, AXA therefore cancelled the policy. I'm satisfied this was reasonable, and that Mr W was given sufficient notice of the cancellation if he didn't pay AXA the outstanding premiums.

AXA later looked at the payments made by Mr W for the policy year 17 July 2022 - 16 July 2023, and said his shortfall equated to around two months premiums. So I think it was appropriate for AXA to end the cover as of 18 May (this probably should have been 16 May, but I don't think this makes any difference to the matter).

I've noted Mr W's comments that two months' shortfall equates to £249.90, and that he paid £250 to AXA on 9 June. My understanding is that AXA had included the £250 payment of 9 June when calculating Mr W's total payments for the year. I say that because this calculation was done before AXA decided to return the £250 to him. Also, AXA collects the premiums a month in advance, and so he was in arrears when AXA cancelled the policy.

AXA wrote to Mr W on 15 August to say it was sorry he'd decided to cancel his policy. I think this letter was a little confusing, since it was AXA that had decided to cancel the policy. Nonetheless, Mr W knew the policy would end if he didn't pay all his outstanding premiums, so I think he would have understood that was why AXA had sent this letter.

As the policy had been cancelled from 18 May, AXA later decided to return the payment of £250 that Mr W made on 9 June. It also realised it should have returned a payment he had made of £130 in September. It returned the £380 to him, and also paid him £200 compensation (which included 8% interest of less than £10). Although this happened after AXA issued its final response letters, our investigator took this into account in her findings and AXA didn't object to her doing so. I've therefore also considered it, and I'm satisfied AXA acted fairly here.

Mr W says he was told by AXA that his policy would be renewed, and he wasn't told it would be cancelled.

I see that Mr W spoke with AXA's renewal team about his quote on 13 July, and he decided to leave the policy as it was and allow it to renew automatically on 17 July. Though when he tried to make a claim soon after, he was told he wasn't covered. I don't think Mr W was given incorrect information by the renewal team, as AXA hadn't cancelled his policy at that point. I note AXA had previously let Mr W know on a few occasions his policy was on hold whilst his premiums weren't up to date, so that meant no claim would be payable.

Mr W says he felt harassed by AXA due to the number of times he was called, sometimes up to seven times a day.

I've looked at AXA's call logs and I see that in the three-month period before AXA cancelled the policy, 19 calls had been made to Mr W, but weren't answered. There were only two occasions where AXA tried to call Mr W twice in one day. Given that Mr W was in arrears and his policy would be cancelled if he didn't bring his premiums up to date, I don't think it was unreasonable for AXA to try to reach him to discuss the matter. I don't think AXA made an excessive number of calls to Mr W.

Mr W says he told AXA to email him, however AXA still tried calling him. I've read this email chain. I see that after Mr W made a complaint to AXA, he was advised this had been passed to AXA's senior team who would contact him to discuss his concerns. Mr W responded to say if they couldn't reach him via phone, then they could email him. This was solely in relation to Mr W's complaint, and I see that the senior team emailed him on 2 August, after trying to reach him by phone a few times over the previous few days. I haven't seen that Mr W had told AXA not to call him about his outstanding premiums.

Overall, I'm satisfied that AXA took appropriate action by cancelling the policy when it did, and that Mr W was given sufficient warning about this. I don't find that AXA harassed Mr W.

My final decision

My final decision is that 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 15 March 2024.

Chantelle Hurn-Ryan
Ombudsman