

The complaint

Mr L complains that AXA PPP Healthcare Limited turned down his private medical insurance claim.

What happened

Mr L is covered under his employer's group private medical insurance policy with AXA. In 2023 Mr L made a claim. He said his GP had referred him to a dermatologist after he experienced unexpected hair loss. AXA turned down the claim. It said it would expect the GP to do any tests and treatment to establish the reasons for the hair loss.

Mr L sent AXA his GP's referral letter. This said that Mr L had some patches of alopecia. AXA responded to say that alopecia can be treated by a GP, and there was no cover under the policy for this. It also said that even if a GP makes a referral to a specialist, there's no benefit available for cosmetic treatment, or treatment that isn't medically necessary. Mr L complained to AXA about its decision to turn down his claim. He went ahead with some consultations with the dermatologist, and was prescribed various medications.

AXA issued a final response on the complaint on 16 June 2023. It maintained its decision to turn down the claim. It said it would deem treatment for hair loss, including alopecia, as cosmetic - which isn't covered under the policy. Unhappy with this, Mr L brought a complaint to this Service.

Our investigator recommended the complaint be upheld. He thought it was unreasonable for AXA to say the treatment was cosmetic, and recommended it cover the cost of the consultations, plus interest.

I issued a provisional decision on 23 January 2024. Here's what I said:

- *'The policy doesn't cover GP and primary care services. Mr L has explained to our investigator that his GP prescribed him topical steroid cream, but said it rarely works and so referred him to the dermatologist at the same time. Mr L says he tried using the cream, but as his GP had anticipated, it didn't work.'*
- *The referral letter from the GP didn't say that steroid cream had been prescribed to Mr L. As there was no evidence from the GP to show that Mr L had been treated appropriately by them, I can understand why AXA relied on the primary care services exclusion at the time.*
- *Mr L says that the dermatologist diagnosed him with alopecia, and prescribed several medications. He says he had a follow-up 12 weeks later and his prescription was adjusted slightly. Mr L also says he doesn't expect AXA to pay for the prescriptions and only wants the consultations covered.*
- *The information from the dermatologist is that Mr L initially presented with patchy alopecia, and he examined those areas. The dermatologist prescribed some medications. He then saw Mr L a few months later and confirmed Mr L had been*

using the prescribed regime and had achieved regrowth in both patches. The dermatologist said an examination that day had showed active regrowth in both areas.

- The policy excludes cosmetic treatment. Mr L's GP had already diagnosed him with alopecia, as confirmed in the referral letter. Based on the information provided by the dermatologist, it seems the purpose of the referral was to obtain treatment to try and improve Mr L's appearance relating to hair loss. I'm satisfied this would be considered cosmetic, which is excluded under the policy.*
- Overall, I find it was reasonable for AXA to turn down the claim.'*

I asked the parties if they wanted to provide any further comments or evidence before I made my final decision.

AXA didn't provide any further comments.

Mr L responded with the following main points:

- For me to say that alopecia is merely a cosmetic issue goes against the scientific community and Alopecia UK (an organisation which represents those with alopecia). He was treated by a dermatologist, not a plastic surgeon or beautician. He says the medication he was given was to treat the underlying medical cause, namely the body's autoimmune response.
- He thinks it doesn't make sense that skin conditions such as dermatitis, eczema and psoriasis are covered by the policy, but alopecia is not. He said you wouldn't classify treatment for those skin conditions as cosmetic, even though they can cause rashes that might affect someone's appearance.
- Alopecia can have serious and debilitating effects on a person's wellbeing and mental health, and to be told by an ombudsman that it is merely cosmetic is akin to saying it is not real.

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.

- I'm sorry if Mr L feels I was dismissive in any way of his condition, that was not my intention at all. I accept Mr L has previously provided information which supports that alopecia is thought to be an autoimmune condition. However, as I said in my provisional findings, the evidence suggests the treatment he received was to improve his appearance relating to hair loss, and I think it's reasonable to say this would be considered cosmetic.
- I've noted Mr L's comments about skin conditions. Though if someone made a claim under this policy for a skin condition and there were no symptoms other than how a rash affected their appearance, then I think it's unlikely the treatment would be covered for that condition.
- I recognise my decision will disappoint Mr L, but I remain satisfied that it was reasonable for AXA to rely on the cosmetic treatment exclusion to turn down his claim.

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 L to accept or reject my decision before 5 March 2024.

Chantelle Hurn-Ryan
Ombudsman