

The complaint

Mr and Mrs I have complained that AXA PPP Healthcare Limited ('AXA') incorrectly authorised a claim but didn't provide an appropriate remedy.

What happened

Mr and Mrs I have a private medical insurance policy, underwritten by AXA.

Mrs I called AXA to ask whether it would cover her procedure as she wasn't sure that it would. AXA confirmed cover and Mrs I then spoke to a specialist she wanted to use and booked a date.

She called AXA again on the following day as the specialist had asked her to get an authorisation code. AXA told Mrs I it had made a mistake and her procedure wasn't covered under the terms and conditions of the policy as it was classed as preventative treatment.

Unhappy, Mr and Mrs I complained to AXA. It had already offered £200 compensation when Mrs I had called and it apologised. In addition, it sent Mrs I some flowers.

Mr and Mrs I referred their complaint to the Financial Ombudsman Service. Our investigator didn't think £200 compensation was reasonable due to the impact this had had and so he recommended AXA pay a further £100 to bring the total to £300. AXA disagreed and said it had rectified its error the day after it was made, so the issue wasn't long lasting.

The case has been passed to me for a final 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.

- Having done so, I agree that AXA should pay further compensation to recognise the impact on Mr and Mrs I. I'll explain why.
- The relevant rules and industry guidelines say an insurer should avoid foreseeable harm and provide support to help consumers understand their policies.
- In this case, Mrs I called to ask whether her procedure would be covered, and she was told that it would be. She then searched for and spoke to a specialist she wanted to use for her procedure and booked a date.
- The following day she called AXA again as the specialist had asked her to obtain a code. AXA then explained that it had incorrectly provided authorisation as her procedure wasn't covered under the terms of the policy. Having looked at the policy terms, it's clear that the procedure wasn't covered. So I can't say AXA should have covered it but I can consider the impact of the incorrect authorisation on Mr and Mrs I in more detail.

- Mr and Mrs I have explained the impact of AXA's error. As Mrs I had a history of problems and a similar procedure previously as well as many other complications, she was relieved when AXA confirmed her procedure was covered. After she had spoken to her specialist and booked her procedure, she called AXA and was then told it wasn't covered. She was extremely disappointed.
- Our investigator thought an additional £100 compensation was more reasonable for the impact on Mrs I. AXA said the error was corrected quickly. I agree that the incorrect advice was corrected but I don't think AXA properly considered the individual impact on Mrs I, taking her personal circumstances into account. Mrs I didn't feel disappointment for just one day. She'd had her hopes raised for one day and was then disappointed for some time afterwards - which is understandable considering the type of procedure involved.
- Mrs I spoke to AXA twice and her specialist twice – four calls instead of one had AXA provided the correct information. Additionally, Mrs I had spent some time choosing a specialist and discussing her procedure with them. This was more than just a minor inconvenience as a result of the error. For that reason, I agree with the investigator that AXA should pay a total of £300 compensation for the loss of expectation and disappointment Mr and Mrs I would have felt.

My final decision

For the reasons set out above, I uphold this complaint and direct AXA PPP Healthcare Limited to pay Mr and Mrs I an additional £100 compensation (in addition to the £200 already paid).

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

Shamaila Hussain
Ombudsman