

The complaint

Ms L complains that AXA PPP Healthcare Limited has unfairly declined her claim under her private medical insurance policy. She is also unhappy about the service she received.

What happened

Ms L took out private medical insurance in March 2023. This was insured through AXA. In July 2023 Ms L contacted AXA to obtain authorisation to see a specialist in relation to her eyesight. She said she had noticed a problem with her peripheral vision. She had seen an optician, but no issue was found with her eyes. She was told she had hooded eyes. AXA initially thought the symptoms may have been in existence prior to her taking out the policy, however, it did agree to cover the consultation.

In September 2023, Ms L saw a specialist who recommended surgery. Ms L has said she was told by AXA on a least two occasions that her claim was authorised. She said that the surgeon's secretary had also been advised the same by AXA. But one week before the surgery she says AXA told her that it had made a mistake and the procedure wasn't covered. Unhappy with the decision, Ms L complained to AXA and said it should reimburse the costs due to the mistakes it had made in approving the treatment. Ms L went ahead with the surgery which she paid for herself.

AXA reiterated that the policy didn't cover the procedure she was having as there was an exclusion for the removal of fat or surplus tissue. But it did recognise that it given her incorrect information about the cover for her surgery on two occasions. AXA made a payment of £200 as compensation for the poor service received.

Ms L remained unhappy and brought her complaint to us. Our investigator looked into the matter but didn't uphold the complaint. He found that Ms L's policy didn't provide cover for the surgery and therefore AXA was right to decline the claim. He agreed that AXA shouldn't have told Ms L that the claim was covered, however, he noted that Ms L had been given the right information prior to the surgery so she was aware that she would have to cover the costs. He didn't think AXA needed to pay the claim. He found that the compensation of £200 was fair for the inconvenience this matter had caused Ms L.

Ms L disagreed with the investigator's view. She said that it was several people who had misinformed her, and that AXA needed to be fit for purpose with fully trained staff. She also said she had already planned for her care during this period and arranged cover for her work. Due to the late notice, she felt she had no alternative but to go ahead. As no agreement could be reached, the matter 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.

The relevant rules and industry guidelines say that insurers must handle claims fairly and promptly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Ms L's complaint.

The policy terms and conditions

The policy states it provides the following cover:

1.1 > Your core cover – applies to all members

This table shows you the core cover your membership gives you.

If you're an in-patient or day-patient

Private hospital and day-patient unit fees

Paid in full so long as you use a hospital or day-patient unit in our Directory of Hospitals

It then goes on to describe the type of cover available for specific conditions, treatment and tests, along with any treatments not covered. I've detailed the relevant part of the policy below:

4.13 > Fat removal

We do not cover the removal of fat or surplus tissue, such as abdominoplasty (tummy tuck), whether the removal is needed for medical or psychological reasons.

Has AXA fairly declined the claim?

Based on the policy terms above, I can see that there is cover for surgery, however, certain types of treatment, such as the removal of fat or surplus tissue, are excluded, regardless of the reason for the surgery.

Ms L was having surgery on her eyelids. The particular procedure is one that removes excess skin and/or fat from the eyelids. AXA has referred to the exclusion above and said that this would apply. I've noted Ms L has argued that the reason she was having this done was to improve her vision which was being impacted. But the policy says it doesn't cover the removal of fat or surplus tissue even if it is for medical reasons. Taking into account the particular circumstances of this complaint, I'm persuaded that AXA has acted fairly and in accordance with the terms and conditions of the cover when refusing to cover the costs of this surgery.

AXA customer service

Ms L has complained about the service she received from AXA. She said it told her on at least two occasions that her surgery would be covered and that it wasn't until a week before the surgery that she found out the claim had been declined. So, she thinks AXA should pay the costs incurred. I've therefore listened to the relevant calls relating to this incident.

AXA initially told Ms L that her surgery was authorised in a call on 21 September 2023. However, just a short while later on the same day, Ms L called back to update the procedure code for the treatment, and it then explained about the policy exclusion. AXA agreed to review her claim and asked for the specialist's letter to be provided. In this call Ms L told AXA she was already booked in to have the surgery in mid-November 2023.

Ms L called back on 27 September 2023. She said she had called previously and had been told she could go ahead with the treatment but she needed the number for the consultant's secretary so they could make the claim. She also asked what amount of money had been approved. AXA advised that it didn't have the details of the amounts that had been approved but this would be assessed when the invoice was received. AXA told Ms L she could go ahead and have the operation. Ms L called on 2 October 2023 to ask about a shortfall she had been asked to pay on a consultation, and during this call she again requested confirmation that the treatment had been approved, which was confirmed.

On 16 October 2023, the consultant's secretary called AXA. It was during this call that AXA told them that there wasn't cover for Ms L's surgery. However, AXA said it would look to see if other procedures would be considered if further evidence was provided. This information didn't alter AXA's decision and it emailed Ms L on 20 October 2023 to advise her that there was no cover.

I can appreciate how frustrating it must have been for Ms L when AXA said it wasn't covering her surgery costs after being told on several occasions that the treatment had been authorised. AXA has accepted that it made mistakes and has offered £200 compensation for the inconvenience caused.

I've thought about this point very carefully. When a business makes a mistake, as AXA has accepted it has done here, I need to consider the impact the error has had on the consumer. When AXA recognised that the surgery wasn't covered by the policy, it sent Ms L an email on 20 October 2023, which was 25 days prior to the date of the intended surgery. I also note that AXA spoke with Ms L on 30 October 2023 and 1 November 2023 to reiterate this position before issuing its final response letter on 2 November 2023. I'm mindful that Ms L was also aware as early as 21 September 2023 that this type of surgery wasn't usually covered. But in any event, Ms L did know that these costs wouldn't be covered at least two weeks prior to her intended treatment date. So, Ms L could have cancelled her surgery at this point and not incurred the treatment costs.

I've considered Ms L's comments about the arrangements she had already put in place by that time in relation to her care during her recovery and for her work commitments. I'm sure that it would have been inconvenient to have to cancel these plans, but I'm not persuaded that the level of inconvenience caused is such that AXA should pay for the surgery costs. Ultimately, Ms L was aware that the surgery wasn't covered and had received AXA's final response to her complaint when she decided to continue with her treatment plan. I'm therefore satisfied that AXA doesn't need to reimburse these expenses.

AXA has offered £200 compensation to Ms L for what happened. Taking everything into account, I think that this offer is fair compensation. I don't require it to do anything more.

My final decision

For the reasons stated above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 14 June 2024.

Jenny Giles
Ombudsman