

The complaint

Mr and Mrs S are unhappy with the service they received from AXA PPP Healthcare Limited when Mr S made a claim on a private medical insurance policy.

What happened

Mr and Mrs S are the beneficiaries of a private group medical insurance policy. Mr S claimed for treatment for an issue with his coccyx. He says, in summary, he was told that surgery with a particular consultant may be covered. This was authorised but then the authorisation was later withdrawn. Mr S says this has delayed his treatment and caused him stress and anxiety.

AXA looked into what happened and advised that the issue had arisen from human error. They acknowledged that Mr S had received a poor service. Unhappy, Mr S complained to the Financial Ombudsman Service.

Our investigator looked into what happened. She noted that AXA had offered Mr S £300 compensation in a final response letter in January 2024 and, as a goodwill gesture, had made some payments towards Mr S's costs for treatment.

Mr S didn't agree and asked an ombudsman to review his complaint. He said that the £300 compensation was nothing to do with the 'human error' and it related specifically to a separate complaint about a telephone conversation.

Our investigator explained that the £300 was offered in a final response letter issued after the complaint was referred to the Financial Ombudsman Service and was awarded for the error. She reiterated that AXA had also agreed to contribute towards the cost of Mr S's consultations with his chosen specialist. She thought that was reasonable.

Mr S said our investigator was unwilling to recognise his actual complaint. He said the £300 compensation related to a complaint concerning the nature and quality of communication with an AXA employee. He said that the complaint he escalated to the Financial Ombudsman Service related to the main issue of authorisation and non-authorisation. He felt the two issues were conflated. Finally, he said his specific complaint was that with an, as yet un-investigated human error, AXA withdrew authorisation which caused him considerable expense and angst.

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 AXA has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

I'm upholding Mr S's complaint but I don't think AXA needs to do anything more to put things right. I'll explain why.

Mr S referred his complaint to the Financial Ombudsman Service in December 2023. Shortly afterwards, in January 2024, AXA issued a final response letter which did refer to a call with an AXA employee and offered £300. However, it also said:

I accept that you had been given written authorisation for surgery under [redacted]'s care and that this matter came to light when you contacted us about a different issue, however, once the incorrect authorisation was identified, we had to advise you that this was an error...

Mr S responded and in a later email AXA said:

It was clear that we had caused you unnecessary confusion and inconvenience over the course of this claim resulting in multiple contacts from your side to establish exactly what had been agreed. This included surgery with [redacted] being incorrectly authorised but later withdrawn after you had made arrangements post-surgery. It is for these reasons I made the decision to pay £300 redress.

So, based on the evidence available to me I'm satisfied it's most likely that AXA has paid some redress to Mr S in relation to the issue which forms the subject of this complaint, albeit after his complaint was referred to the Financial Ombudsman Service.

I've considered the available evidence in relation to the 'human error' which Mr S doesn't feel has been properly investigated. I don't agree that's the case. The advisor who authorised the surgery didn't check whether the consultant was recognised by AXA. Had they done so authorisation would not have been given. So, on balance, I'm persuaded that this is a reasonable explanation for what happened and this has been investigated appropriately.

I think the £300 and contributions towards treatment that AXA have made are fair and reasonable. I appreciate that Mr S was very disappointed that authorisation was withdrawn but I think that the compensation offered fairly reflects the impact of being given the wrong information by AXA. So I don't think AXA needs to do anything further to put things right.

My final decision

I'm upholding Mr and Mrs S's complaint but I think the suggested settlement is fair. So AXA PPP Healthcare Limited need to put things right by paying Mr and Mrs S £300 compensation if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 25 June 2024.

Anna Wilshaw
Ombudsman