

The complaint

Ms P complains about the way that AXA PPP Healthcare Limited has handled claims she made on a personal private medical insurance policy.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the key events.

Ms P holds a personal private medical insurance policy which renews in September of each year. The policy was sold by a broker. Ms P's policy included 'Standard Out-Patient' cover and the 'Guided Option' for selection of medical specialists.

On 5 July 2023, Ms P contacted AXA because she was experiencing worrying gastric symptoms. She wanted to see a specialist who'd previously treated her, who I'll call Dr A. AXA told Ms P that while Dr A was one of its recognised specialists, they weren't on the Guided Option list of providers. This meant that there was no cover for Ms P to see Dr A under the terms of her plan.

AXA told Ms P that it could provide her with a list of approved specialists she could see. Unfortunately though, instead of sending Ms P details of gastroenterologists, it sent her a list of psychologists.

Unhappy with AXA's position, Ms P and her broker got in touch with AXA. It sent Ms P a further list of three specialists. While two specialists were gastroenterologists, one of the specialists was a general surgeon. And in the meantime, Ms P had arranged to self-pay to see Dr A. Following ongoing discussion between Ms P, AXA and the broker, while AXA went on to provide Ms P with details of upper GI specialists, it ultimately agreed to fund ongoing treatment with Dr A outside of the policy terms. It also paid Ms P £50 compensation.

Separately, in February 2023, Ms P asked AXA to authorise three injections to treat a different medical issue. AXA agreed to cover the cost of the injections and Ms P underwent the treatment.

However, in June 2023, Ms P contacted AXA because she said the invoices for the injections hadn't been paid. AXA looked into things and concluded that the treatment shouldn't have been authorised. That's because the injections Ms P had had weren't proven treatment. The policy terms said that if a treatment was unconventional or unproven, AXA would only pay the amount it would have paid for conventional treatment.

In this case though, given AXA had pre-authorised the cost of the injections, in August 2023, it ultimately agreed to cover their full cost. And it paid Ms P a further £100 compensation for the trouble and upset she'd been caused.

Ms P remained unhappy with AXA's position and so she asked us to look into her complaint.

Our investigator felt that by agreeing to cover the cost of Ms P's continuing care under Dr A

outside of the policy terms, AXA had treated her fairly. But he didn't think £50 compensation was enough to reflect the impact of its errors in repeatedly sending her details of unsuitable specialists. So he recommended that it pay her an additional £100.

And the investigator accepted that AXA had made mistakes in authorising Ms P's injections and had caused delays in the settlement of the resulting invoices. But he felt that by covering the full cost of the injections and by paying Ms P £100 compensation to reflect its errors, AXA had already settled this part of Ms P's complaint fairly.

AXA accepted the investigator's findings.

Ms P didn't agree with our investigator and I've summarised her responses. She felt AXA should cover the cost of her consultation with Dr A in July 2023 – a cost of £200. And she didn't think any of the specialists AXA had recommended would've agreed to take on her care following an initial consultation with her. Therefore, she felt she had saved AXA around £750 in consultation costs and that it would be fair for AXA to pay around £1000 in compensation to reflect this.

Additionally, Ms P felt AXA hadn't appreciated the time and upset the matter had caused her. She said she'd spent hours on the phone. She was also unhappy because AXA had gone on to say that at the time of Ms P's call in July 2023, she'd already used-up her annual outpatient consultation limit. And therefore, an initial consultation with a specialist wouldn't have been covered in any event.

Ms P felt that AXA had delayed her accessing treatment, which she considered she could have undergone sooner on the NHS. And she also considered that these delays had meant she had little choice but to renew her policy in September 2023, at a significantly higher cost.

The complaint's 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.

Having done so, whilst I'm sorry to disappoint Ms P, I think the fair outcome to this complaint is for AXA to pay additional compensation of £100 and I'll explain why.

First, I'd like to reassure Ms P that while I've summarised the background to this complaint and her detailed submissions to us, I've carefully considered all she's said and sent. In this decision though, I haven't commented on each point that's been made and nor do our rules require me to. Instead, I've focused on what I think are the key issues.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. So I've taken these rules into account, amongst other regulatory principles and other relevant considerations, when deciding whether I think AXA treated Ms P fairly.

There are two key issues for me to decide. First, did AXA handle Ms P's gastroenterology claim fairly? And second, did it handle Ms P's claim for the injections fairly? I'll consider each point in turn.

Did AXA handle Ms P's gastroenterology claim fairly?

I've looked carefully at the policy terms and conditions, as these form the basis of Ms P's contract with AXA. It's clear, from Ms P's membership certificate, that during the 2022-23

policy year, she'd taken out the Guided Option. Page 7 of the contract terms says:

'With the Guided Option all treatment must be with or under a specialist we have chosen for you.'

Ms P's membership certificate also explained how the Guided Option works. And Ms P's premium was, in part, calculated on the basis of her taking out this particular cover.

So I think the policy documentation made it sufficiently clear that Ms P wouldn't be able to choose her own specialist and that AXA would choose the relevant specialist for her in the event of a claim.

As Ms P had previously been treated by Dr A, I can entirely understand why she wanted to see them again. Especially given it seems Ms P was concerned that her previous treatment might have failed. However, Dr A wasn't on AXA's Guided Options specialist list. So I don't think it was unfair or unreasonable for AXA to conclude that ongoing care with Dr A wasn't covered by the policy.

With that said though, it's clear that AXA did make errors during the handling of this claim. When Ms P first called, in July 2023, AXA wrongly sent Ms P details of psychologists rather than gastroenterologists. I don't doubt how frustrating this was and that it put Ms P to additional, unnecessary inconvenience in trying to resolve things both with AXA and through her broker. And when AXA did provide Ms P with details of gastroenterologists, it included details of a general surgeon, who it doesn't appear would have been suitable for her condition. Ms P was also unhappy that she wasn't initially given details of upper GI specialists. I can entirely appreciate why Ms P was unhappy with AXA's handling of this claim, especially at a time when she was experiencing worrying and upsetting symptoms. So I need to consider what I think fair redress should be.

At the end of July 2023, AXA agreed to pay for Ms P to receive continuing cover under Dr A. As I've said, care under Dr A wasn't covered by the terms of Ms P's policy. And so I think this was a very fair response from AXA in the circumstances. And, having considered everything, I think total compensation of £150 (less the £50 it's already paid) for the mistakes AXA made in its handling of this part of the claim is fair, reasonable and proportionate to reflect the likely impact of these errors on Ms P. I'll explore this further.

Ms P considers that AXA should cover her self-paid consultation with Dr A in July 2023. I've thought about this. But under the terms of Ms P's standard outpatient cover, she was limited to three outpatient consultations per policy year. By the time of this claim, Ms P had already used up this allowance and had had full benefit under this part of the policy. So I don't think it would be fair for me to direct AXA to pay for a consultation which wouldn't have been covered even if AXA hadn't made any mistakes in the handling of this claim.

I appreciate Ms P feels that she saved AXA money by not consulting with its specialists, who she considers are unlikely to have treated her. Therefore, she feels compensation should be paid to reflect what AXA's costs are likely to have been had she seen other specialists. I disagree. I don't think it would be fair or reasonable for me to award compensation based on a hypothetical situation – these are costs which were simply never incurred. And, as I've said, Ms P wouldn't have been covered for an outpatient consultation in any event.

Ms P feels strongly that AXA should never have provided her with details about its specialists at all, given it says she'd used-up her outpatient allowance. I've thought about this. AXA says that during the first call in July 2023, its call handler told Ms P that she had used up her outpatient limit. But even if this wasn't the case, I don't think it was inappropriate for AXA to provide Ms P with details of relevant specialists. That's because following any

initial consultations, the specialists may have concluded that Ms P required diagnostic testing or other treatment, which may have been covered by the policy. And I've been provided with no compelling evidence that Ms P could have accessed NHS treatment any quicker. Indeed, given she self-paid to see Dr A, it isn't clear that Ms P sought NHS treatment or investigation for her symptoms. So I don't think I could fairly conclude that AXA unreasonably delayed Ms P seeking treatment – or that she had no choice but to renew the policy as a result.

Overall then, I'm satisfied that a total of £150 compensation for AXA's errors in the handling of this claim, together with its agreement to provide cover for cover for Ms P to continue care with Dr A is fair and reasonable in all of the circumstances.

Did AXA handle Ms P's claim for the injections fairly?

It's common ground that in February 2023, Ms P called AXA for pre-authorisation for the cost of injections. Both parties accept that AXA gave Ms P authorisation to receive the treatment. So I think it was entirely reasonable for Ms P to rely on this information, undergo the injections and to expect the costs to be covered by AXA.

However, some months later, Ms P called AXA because the invoices hadn't been paid. At this point, AXA identified that authorisation shouldn't have been given because it considered the injections to be unproven treatment. This meant that under the terms of the policy, AXA wouldn't cover the full cost of the injections. I don't doubt how upsetting and disappointing this must have been for Ms P, given, as I've said, I think she was entitled to rely on the information AXA had given her some months before.

It's unfortunate that it took AXA until August 2023 to fully review this claim and to agree to cover the cost of the injections in full. Given the mistake it had made in authorising the treatment, I think this was a reasonable and appropriate response from AXA. That's because I don't think Ms P should have been left responsible for paying any of the claim costs when AXA had wrongly authorised the treatment.

I accept too that Ms P likely suffered frustration, embarrassment and inconvenience as a result of AXA's error here. She had to call AXA to put things right and it seems she received chasers from the hospital. So I think it was fair for AXA to pay Ms P compensation for the material additional distress and inconvenience I think she was likely caused. And in my view, the £100 compensation AXA has already paid Ms P for this errors in the handling of this claim is fair and reasonable in all the circumstances.

Conclusion

In summary, I think AXA has fairly settled Ms P's complaint about the claim for her injections. But I don't think it's paid her enough compensation to reflect the impact of its errors in handling her gastroenterology claim. And therefore, I'm directing AXA to pay Ms P additional compensation of £100 for this part of his complaint.

My final decision

For the reasons I've given above, my final decision is that I don't think AXA settled part of Ms P's complaint fairly.

I direct AXA PPP Healthcare Limited to pay Ms P additional compensation of £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 4 July 2024.

Lisa Barham
Ombudsman