

The complaint

Ms S is unhappy with AXA PPP Healthcare Limited's decision to increase her insurance premium and to reduce her no claims discount.

What happened

Ms S had private medical insurance cover with AXA. She was referred to a specialist for suspected problems with her liver and so she made a claim on her policy for diagnostic treatment. Ms S said this resulted in an incorrect diagnosis and the issue was actually due to a hernia. She would like her no claims discount reinstated to what it was prior to the claim and her premium reduced. Ms S said she shouldn't have to pay for the specialist's mistake.

AXA said it reduced Ms S's no claims discount because she made a claim. It also said there were other, broader, factors that impacted the policy price, including her increasing age and the increased cost of treatment and medicines. AXA also said that it's not responsible for the quality of care she received.

Our investigator didn't uphold this complaint. He said AXA hadn't made an error and so it didn't need to do anything more in respect of Ms S's complaint. He explained AXA was entitled to reduce Ms S's no claims discount because she'd made a claim. He considered AXA's actions appropriate and said the increased cost of her insurance is fairly reflected by her claims journey.

Ms S, unhappy with this, asked for an ombudsman to make a final decision. She said it's unfair that she be financially affected by the specialist's decision to perform the tests on her and that it's her view that these tests were unnecessary. And so, it's for me to make 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've decided not to uphold it. I say that because I agree with our investigator's opinion and for the same reasons. My role is to determine whether AXA has made a mistake here and I'm not persuaded has. Before I go on to explain why, I should say it's not the role of this service to determine whether the treatment Ms S received was medically necessary, or to question the treatment pathway decided by the specialist, as that's a clinical decision to be made by a medical professional. I'm highlighting this from the outset because part of Ms S's argument is about whether a mistake was made by the specialists involved with her care. Ms S has already been told how to complain about the quality of care she's received and so there's nothing more I can helpfully add to that.

AXA's terms say;

"No Claims Discount

If we pay any money, no matter how little, we count this as a claim when working out your discount.”

To be clear, I understand the arguments made by Ms S, but I’m not persuaded AXA should reinstate her no claims discount and reduce her premium to what she paid prior to making the claim. That’s because I’m satisfied she claimed on the policy and underwent testing to establish the cause of her symptoms. AXA paid those costs and so it is therefore entitled to increase the cost of Ms S’s cover, in line with the policy terms.

The evidence I’ve seen suggested Ms S received MRI scans, CT scans and other testing, including a colonoscopy under the supervision of the specialist responsible for her care. AXA’s role here was to validate her claim and then pay the associated costs of her treatment – which I’m satisfied it did. And so, whether Ms S feels those tests were relevant, doesn’t mean AXA should negate, or set aside her claim. AXA highlighted that it isn’t responsible for determining which tests Ms S needed as that’s a clinical decision to be made by the treating specialist, it also made the argument that it didn’t make Ms S have those tests. And given what I’ve just explained, I’m in agreement with that.

I should also say that it’s not an unusual treatment pathway to refer a patient for diagnostic treatment, such as scans, so a diagnosis can be made.

I’ve considered AXA’s explanation of Ms S’s premium increase and I’m satisfied it’s applied its policy terms fairly in the circumstances. I say that because it’s shown the percentage decrease applied to the no claims discount incentive and it’s consistent with the policy terms. I also acknowledge its comments about Ms S being a higher risk to insure now that her medical history has changed. I’ve seen evidence of this being further explained in AXA’s welcome email to Ms S this year. I should say that AXA’s not done anything unusual here and it’s in line with industry practice.

And so, I’ve not found any evidence to suggest that Ms S has been unfairly treated by AXA in the circumstances of this complaint.

My final decision

For the reasons I’ve explained, I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms S to accept or reject my decision before 18 January 2025.

Scott Slade
Ombudsman