

The complaint

Mr H is unhappy that AXA PPP Healthcare Limited (AXA) has applied an exclusion to his private medical insurance policy. He also complains that AXA increased the premium in January 2024 on his policy and is unhappy about the service AXA has provided.

What happened

Mr H first took out his private medical insurance policy with AXA in 2013.

In April 2024, Mr H was informed by AXA that his policy doesn't cover ongoing, recurring or long-term treatment for chronic conditions. It said the policy would only cover pain management treatment for his low back condition and associated symptoms until 30 June 2024 and any treatment that had taken place until then, AXA said it would provide cover. It also explained, from the information it had, Mr H's low back condition showed he first started treatment in July 2021. Since then, AXA had covered five pain management treatments for his condition, it was ongoing and didn't have an expected end date and that Mr H was likely to need more treatment in the future.

Mr H made a complaint to AXA in May 2024. AXA said pain relief treatments such as injections to relieve the pain in Mr H's back weren't covered. Mr H had received a longer period of cover than the usual 12 months provided under his policy, and this was a chronic condition which isn't covered under the policy. AXA said the exclusion only limits cover for pain relief procedures and pain management. Other treatment or investigation required for this condition may still be covered under Mr H's policy.

A second complaint was raised by Mr H about the premium increase on the policy in January 2024. AXA issued its response and said the increase in premium was correct based on factors such as age, increase in medical costs and the number of claims made.

Unhappy, Mr H brought his complaint to this service. Our investigator didn't uphold the complaint. She didn't think AXA had acted unfairly in excluding pain management and treatment under Mr H's policy and she didn't think the premium increase was unfair.

Mr H disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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 insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS'). ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly. I've taken these rules into account when making my decision about Mr H's complaint.

I note that Mr H has raised other complaint points which do not relate to this complaint and the final responses provided by AXA. I'm unable to comment on these and Mr H will need to refer these directly to AXA.

On this complaint, the key issues I will be considering are about the exclusion placed on the policy for pain management and chronic conditions. And I'll look into the premium increase and service provided by AXA.

I've started by looking at the terms and conditions of Mr H's policy as this forms the basis of his insurance contract with AXA.

Page 15 of the policy document sets out what is and isn't covered regarding conditions that are longer lasting or come back. This is known as a chronic condition. This states:

'Your membership does not cover you for conditions that:

- Come back (recur); or*
- Are likely to continue for a while; or*
- Are long-term.*

Because we don't cover ongoing, recurring long-term treatment for chronic conditions, this means we will not cover:

- Monitoring a medical condition; or*
- Any treatment that only offers temporary relief of your symptoms, rather than dealing with the underlying condition; or*
- Routine follow-up consultations.'*

And chronic condition is defined in the policy as:

'Chronic condition

A chronic condition is a disease, illness or injury that has one or more of the following characteristics:

- It needs ongoing or long-term monitoring through consultations, examinations, check-ups or tests*
- It needs ongoing or long-term control or relief of symptoms*
- It requires your rehabilitation, or for you to be specifically trained to cope with it*
- It continues indefinitely*
- It has no known cure*
- It comes back or is likely to come back*

What happens if you a condition you have is a chronic condition?

If your condition is chronic, unfortunately there will be a limit to how long we cover your treatment. If we are not able to continue to cover your treatment, we will tell you beforehand so that you can decide whether to start paying for the treatment yourself, or to transfer to the NHS.'

Based on the above, if a condition is considered to be chronic, AXA is able to limit the cover and can also exclude the cover as long as the policyholder has been made aware of this beforehand.

I've considered that Mr H has had five pain relief injections since September 2021. He also started treatment for this condition in July 2021, the treatment is ongoing and it's likely from the evidence available that more of this same treatment will be required in the future. I'm satisfied therefore that the condition is fairly classified as a chronic one. And if a condition is chronic, under the terms and conditions of Mr H's policy, it's not unreasonable to exclude cover for this treatment going forward.

I can see that AXA made Mr H aware of this beforehand on 3 April 2024 and gave him notice which said after 30 June 2024, cover for this treatment would no longer be provided. I think this is fair and reasonable taking into consideration that AXA have provided cover for longer than the usual 12 months.

Mr H has provided further comments as to why he thinks the pain injections for his back weren't necessarily only to relieve pain. I acknowledge his comments, but I don't agree. The information provided by AXA is clear that the injections were to help Mr H relieve pain temporarily. So, I don't think the treatment for this has been excluded unfairly. AXA has also said any treatment or investigation required for this condition may still be covered under Mr H's policy which I think is reasonable in the circumstances.

Mr H is unhappy that his premium increased in January 2024.

Each policy year is a new contract between the parties. The membership handbook sets out that premiums for this type of cover tend to increase every year. And the reasons for that include the policyholder's increased age, the increasing cost of medical treatment and the number of claims made in the year. The central question for me to decide is whether AXA acted fairly and reasonably in its pricing of Mr H's premiums in January 2024.

Given the increase in Mr H's renewal premium, I can understand his concerns. So, I should start by saying that the Financial Ombudsman Service doesn't set the rules on how an insurer can price complaints. It's up to an insurer to decide how much to charge for its policies so long as it exercises its judgement fairly and consistently and in accordance with its internal guidelines.

And the Financial Conduct Authority (FCA) doesn't regulate the prices an insurer charges or the methods used to calculate a price. So, I can't make any comment on the way an insurer chooses to assess a risk or the premium it charges to cover a certain risk. But I can check whether AXA has applied any terms fairly and that it hasn't treated Mr H unfairly compared to others in the same position.

Insurers consider many factors when setting premiums. When deciding how much to charge for their policies they will assess the likelihood of a policyholder making a claim and how much they might have to pay out for those claims. And each insurer will go about that in its own way. It's for AXA to decide which factors it wishes to take into account. Age, healthcare costs and claims made in the last year are some of the factors are mentioned in the policy handbook.

AXA has explained that it takes into account a number of factors when looking at premiums including age, healthcare costs, level of cover and claims.

AXA has provided an explanation of how its premiums were priced. I've checked the criteria applied. And I haven't seen anything to indicate that Mr H was treated less favourably than other policyholders in the same position. So, I don't think it's done anything wrong here.

It's open to Mr H to decline the renewal quotes and look for another policy provider. I do understand the difficulty of doing that in Mr H's particular case. But it remains the case that he's not obliged to take up the renewal quotes.

I've looked at the service provided by AXA. Having done so, I think AXA has acted appropriately and dealt with his queries and complaint points within expected timescales and in a professional manner. I don't think therefore AXA has provided poor customer service.

Overall, taking everything into account, I'm sorry to disappoint Mr H. I'm satisfied that AXA has applied the exclusion to the policy that in line with the policy terms and conditions and has done so fairly. I'm also satisfied the premium increase on Mr H's policy is fair and he's not been treated differently, and I don't think he's been provided with poor customer service. It follows that I don't require AXA to do anything further.

My final decision

For the reasons given above, I don't uphold Mr H's complaint about AXA PPP Healthcare Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 March 2025.

Nimisha Radia
Ombudsman