

The complaint

Mr H complains that AXA PPP Healthcare Limited continues to unfairly increase the premiums on his private medical health insurance policy.

What happened

Mr H took out private medical insurance with AXA in 1984. In April 2024, Mr H contacted AXA to complain about the increase in premium on his policy. He stated that the annual premiums increased every year however, the benefits didn't increase by the same ratio. He said the premiums have become excessive and the benefits inadequate. He said this hadn't been explained to him when he initially took the policy in 1984.

AXA responded to his complaint but didn't think it had acted unfairly. It referred to several factors which caused the rise in premiums, such as the increasing cost of medical care along with the age of the policyholder. AXA said it wouldn't be possible to increase the cover levels in line with normal inflation – if it did provide more cover it would need to raise premiums beyond the general increases.

Unhappy with this outcome Mr H brought his complaint to us. Our investigator looked into the matter but didn't uphold the complaint. She didn't think that Mr H had been treated unfairly in relation to the pricing of the policy. As Mr H disagreed, 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 above is intended to provide just a summary of the situation. I fully appreciate Mr H's strength of feeling on the matter. But it is important to point out that we are an informal dispute resolution service, set up as a free alternative to the courts for consumers. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue or point made in turn. This isn't intended as a discourtesy to Mr H. Rather it reflects the informal nature of our service, its remit, and my role in it. I've decided not to uphold this complaint. I understand Mr H will be disappointed by this outcome, so I'll explain why.

When looking at complaints about the premium charged for an insurance policy, it isn't the role of this service to tell an insurer what it can or can't charge. This is considered a commercial decision which insurers are entitled to make. But we can consider if we think a consumer has been treated fairly, or if we think they've been treated differently or less favourably than another consumer.

AXA has provided confidential information to this service to show how it calculated Mr H's premiums in recent years. I appreciate that Mr H feels we should share the details of these calculations with him, but I cannot provide the specific information about how AXA calculates risk. The data AXA has provided is business and commercially sensitive as it includes details

on how AXA competes with other insurers in the market. This means I can't share this information. But based on what I've seen I'm not persuaded Mr H has been treated unfairly. AXA has shown that increases in premium were mainly due to age and/or inflation related increases. I've not seen any evidence to suggest Mr H has been treated differently to any other AXA customer in the same circumstances.

I've also noted that AXA provides an explanation in the policy terms and conditions about why premiums increase, and this also refers to the common factors being age and the cost of treatment. Therefore, I'm satisfied that AXA did provide enough information to Mr H to alert him to the fact the premium would likely increase because of different factors, including age.

Mr H has referred to the fact that the increases in premiums are not in line with the benefits under the policy. He says they are inadequate to cover the treatment. He says it wasn't explained to him when taking out the policy that premiums may rise in line with inflation but not the benefits.

I've carefully considered Mr H's point about the outpatient allowance. AXA has said it no longer has information relating to when Mr H first took out the policy in 1984. That was a long time ago and so I don't think this is unreasonable. However, I have seen more recent evidence to show that this benefit has increased over the years. But I appreciate that he feels that the ratio of premium increase to outpatient benefit increase is unfair.

It is important to note that this policy doesn't just include cover for outpatient treatment, but provides cover for other procedures and treatment, all of which are covered either in full if certain criteria are followed (such as in the case for inpatient treatment), or up to a maximum amount as detailed in the policy terms. So, the premium paid doesn't simply relate to the outpatient benefit.

As is common with most insurance policies, this cover works on a basis of an annual contract. And therefore, every year the cover can change. At each renewal the policy holder can review the policy terms and conditions to decide if the cover is still right for them. AXA provided Mr H with information at each renewal for him to decide if he wished to continue with his cover. I'm not of the opinion AXA was acting unfairly or needed 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 Mr H to accept or reject my decision before 7 March 2025.

Jenny Giles
Ombudsman