

The complaint

Mr B is unhappy that AXA PPP Healthcare Limited trading as AXA Health didn't let him know he was going to exceed his outpatient limit.

What happened

Mr B made claims on his private medical insurance policy which were authorised. One claim related to Cognitive Behavioural Therapy (CBT) and the other related to diagnostic testing. Mr B exceeded his outpatient limit and this led to him incurring treatment costs which he needed to self-fund.

Mr B complained to AXA and they agreed to cover half of the additional costs he'd incurred. They noted that Mr B had a call with an advisor which ought to have been handled better. Mr B complained to the Financial Ombudsman Service as he thought AXA should cover all of the outstanding payments.

Our investigator looked into what happened and upheld the complaint. He thought that the relevant call had been poorly handled and, had Mr B been made aware that he'd have to pay the bill himself, he wouldn't have gone ahead with treatment. So, he said that AXA should cover the costs in full.

AXA didn't agree and asked an ombudsman to review the complaint. In summary, they said some of the responsibility lay with Mr B as the policy had a limit for outpatient treatment. They said their goodwill gesture to cover half the costs was very reasonable. The complaint was referred to me to make a 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.

The relevant rules and industry guidelines say that AXA should handle claims promptly and fairly. They also have a responsibility to provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

It's not disputed that Mr B had valid claims under the policy or that the outpatient limit was exceeded. It's also not disputed that AXA had made Mr B aware of the limit when they corresponded with him about the claim. However, I'm upholding Mr B's complaint because I'm not persuaded AXA treated him fairly and reasonably. I say that because:

- On a strict application of the policy terms there is no cover for costs which exceed the outpatient limit set out in the policy. However, I've also considered what is fair and reasonable in the circumstances of this case.
- Mr B contacted AXA before committing to more tests to check if he was covered under the policy. He was reassured that cover was available. I think that there was a reasonable opportunity for AXA to make Mr B aware that he wouldn't be covered

if he went ahead with the tests because the policy limit would be exceeded.

- I'm satisfied that, in the specific circumstances of this case, Mr B wouldn't have gone ahead with the tests if he'd known they wouldn't be covered, and he'd have to self-fund. He's explained they would have been unaffordable for him, and I've found his testimony to be credible and persuasive. Therefore, on balance, I'm persuaded that Mr B has experienced financial detriment because he wasn't given enough information about his policy coverage during the call.
- Mr B isn't an expert on the cost of medical treatment costs. Whilst he was aware of the policy limit I don't think it's reasonable to have expected him to know how quickly the policy limit would be utilised. Rather, I'd expect AXA to keep Mr B reasonably updated on the availability of the remaining cover available to him during the lifecycle of an ongoing claim. I'm not persuaded that they did so in the circumstances of this case.
- AXA says that Mr B had already exceeded his limit before the above call took place due to his claim for CBT. But I think that if Mr B had been aware that he was at or approaching his policy limit he's most likely to have not continued the other ongoing treatment at the point he reached the limit. I think it would have been reasonable for AXA to at least notify him at the point he would have to self-fund in the circumstances of this case, particularly given that the treatment was split into sessions which were ongoing.

Putting things right

AXA needs to put things right by:

- Reimbursing any of the payments Mr B has made to the relevant providers. In the event that there has been an overpayment to a provider AXA will need to resolve this with the provider directly.
- Paying the remaining outstanding balances to the relevant providers.

My final decision

I'm upholding this complaint and direct AXA PPP Healthcare Limited trading as AXA Health to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 March 2025.

Anna Wilshaw
Ombudsman