

The complaint

Mr H is unhappy with the service received from AXA PPP Healthcare Limited in connection with a private medical insurance policy he had which was due to renew. That includes collecting the policy premium from him even though he'd phoned disputing the premium amount quoted and cancelling the policy without explanation or warning.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my 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.

AXA accepts that Mr H contacted it unhappy with the policy renewal quote he'd been sent, which had significantly increased from the year before. It accepts that after Mr H queried this, it incorrectly cancelled the policy. The policy was due to be reinstated at the new (lower) premium but, instead, it was cancelled because of human error.

AXA has offered to reinstate Mr H's policy with his agreement and offered one month's premium free.

I've considered whether this alone is a fair and reasonable way to put things right for Mr H and I don't think it is.

I'm satisfied AXA should also pay Mr H £200 compensation to reflect the distress and inconvenience its errors have had on him in addition to the one month's free premium (should he agree for the policy to be reinstated and pay the outstanding backdated premiums).

I'm satisfied that AXA caused Mr H upset and frustration by:

- arranging to call him back at 5.30pm about the policy and then not doing so. Although AXA says it tried to contact Mr H an hour and a half later, which he says he had no record of, it also accepts that it should've made further attempts to contact him but didn't.
- taking money from his account to represent the premium quoted at renewal (although this was subsequently refunded). This happened despite Mr H contacting AXA unhappy with the premium quoted and being told that it could reinstate the no claims discount back to 50%, significantly reducing the premium.
- cancelling the policy without reason or warning, even though Mr H was told that the policy would be in place with the new (lower) premium.

Mr H says that he has been left without medical insurance for a significant period of time and that he has spent time making enquiries with other providers about private health cover. And having pre-existing conditions meant getting medical insurance with another provider would be too expensive.

Mr H also says he wrote to AXA after the policy was cancelled to raise concerns, but AXA says it didn't receive anything in writing from Mr H at this time.

Despite Mr H's online portal being closed by AXA and what he says about extended hold times, I'm satisfied that Mr H could've tried to mitigate this stress and inconvenience by calling AXA to try to have the policy reinstated (even if his letters had been sent to AXA and not replied to). Mr H had been in contact with AXA by phone before the policy was cancelled. And given that AXA has been open to reinstate the policy, I'm persuaded on the balance of probabilities that, had Mr H been in contact about reinstating the policy earlier, AXA would've agreed to put this in place with his agreement. This would've reduced some of the stress and inconvenience Mr H experienced as a result of the policy being cancelled.

Putting things right

If Mr H wants to have the policy reinstated with AXA, he should confirm this to AXA within 28 days from the date he accepts this final decision and pay the backdated premiums (less one month free as offered by AXA). AXA should then promptly reinstate the policy.

In any event, I direct AXA to pay Mr H £200 compensation for distress and inconvenience.

My final decision

I uphold this complaint to the extent set out above and direct AXA PPP Healthcare Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 March 2025.

David Curtis-Johnson
Ombudsman