

The complaint

Mr H is unhappy with the service he received from AXA PPP Healthcare Limited, including the way it handled a claim made under his private health insurance policy ('the policy').

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.

Having done so, I partially uphold it. I'll explain why.

- Mr H is unhappy that he was sent invoices by AXA to pay which should've been covered under the policy. He ended up paying four of these (totaling over £1,000) before contacting AXA to question whether he was responsible for these costs as they related to pre-operation diagnostic tests and the operation had been pre-authorised by AXA. During one of the calls I've listened to between Mr H and AXA's representative, he's told that any pre-operation tests are dealt with under the same procedural code and the cost shouldn't have come out of his outpatient allowance.
- The invoices AXA received from the treating facility for payment were stated to be for 'outpatient diagnostic tests' and 'outpatient x-ray, scan or other test' rather than for 'investigation or test before or during operation' (or equivalent). AXA therefore treated these invoices as outpatient appointments and forwarded these invoices to Mr H for payment as it said the policy outpatient financial limit had been reached for that financial year.
- However, AXA has a regulatory obligation to handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim. Mr H had another claim ongoing with AXA at the time relating to a different condition. So given the proximity between the date of the diagnostic tests Mr H was being asked to pay for and the date of the operation - and that pre-authorisation hadn't been given by AXA for other conditions where diagnostic tests were needed from the treating facility - I'm satisfied in the circumstances of this case, AXA ought to have reasonably done more to check whether the invoices received for outpatient diagnostic tests were related to the upcoming operation that had been authorised.
- AXA says the fault lies with the treating facility and it can't be expected to change its processes and check every invoice due to the sheer volume of claims it receives. However, I'm not asking AXA to change its processes. Nor have I disregarded AXA's submission that it works in good faith on the basis that the treatment provider has billed correctly – which is in line with the premise explained in its handbook. But I don't think it has handled Mr H's claim fairly in the circumstances of this case.
- Given the repeated errors identified in this particular case AXA might want to engage

with the relevant treatment provider to discuss improvements in their billing practices to avoid this situation moving forward.

- After Mr H raised this issue with the four invoices, I'm pleased that AXA did accept responsibility for them, and Mr H was refunded. However, I can understand why he was upset that he'd ended up initially paying for these invoices. He was also put to the trouble of having to question whether this was right and I accept that he was (reasonably) upset that if he hadn't questioned AXA, he would've been out of pocket for invoices AXA was responsible for paying.
- I'm satisfied this upset and frustration was needlessly exacerbated by receiving two further invoices (totaling £660), one for an 'anesthetic charge for extra major inpatient treatment' and another for 'outpatient physiotherapy'. Mr H was put to the additional inconvenience of having to question these two invoices he was sent for payment by AXA. Mr H didn't end up paying these as AXA accepted that it had asked Mr H to pay these in error; it had incorrectly applied the excess to the anesthetic charge, but the excess had already been applied in respect of other costs earlier in the policy year. And it hadn't reconfigured the outpatient limit taking into account the costs relating to the pre-operation tests that shouldn't have been taken from the outpatient allowance provided by the policy.
- I'm satisfied AXA should pay Mr H £250 compensation to reflect the impact of its errors here.
- Mr H was (understandably and reasonably in my view) worried that Mr AXA may have made other errors when deciding what charges to include in the outpatient allowance, so he went to the trouble of providing a detailed breakdown. He felt that he was being asked to pay an additional £17 for outpatient charges when the financial limit may not have been included.
- I've considered the various invoices I've been given and the charges that have now been included in the outpatient allowance set out in AXA's final response letter dated August 2024 – which our investigator has provided a detailed breakdown of in her view dated 3 December 2024. Mr H hasn't contested our investigator's view on this issue. I'm satisfied that the outpatient limit in the relevant policy year was reached, and Mr H was fairly and reasonably asked to contribute to an invoice totaling £80 for further outpatient physiotherapy which took place after the operation.

Putting things right

I direct AXA to pay Mr H £250 compensation for distress and inconvenience.

My final decision

I partially uphold this complaint 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 9 April 2025.

David Curtis-Johnson
Ombudsman