

## **The complaint**

Mr A is unhappy with the way AXA PPP Healthcare Limited handled a claim on his private medical insurance policy.

## **What happened**

On 26 April 2022 Mr A took out private medical insurance. His policy was underwritten by AXA.

In May 2024 he was diagnosed with nasal polyps so he submitted a claim to AXA to cover the costs to have them surgically removed.

AXA requested further medical information to review his claim and then declined cover. They incorrectly said Mr A his policy had been in place since August 2023 and the medical evidence showed Mr A's symptoms had been present at the point of sale. So they said the condition was pre-existing.

Mr A informed AXA of their error about the start date. He confirmed the policy had been in place in since April 2022, and his nasal symptoms had started after that. So he didn't agree his claim should be excluded as pre-existing.

AXA reviewed the claim again. They apologised for getting the start date incorrect, but following their review they still maintained their position that the condition was pre-existing. They said their previous reasoning still applied, because Mr A had told the consultant on 26 August 2022 that his symptoms had been present for three to four months. So AXA said this meant the symptoms had started before the policy inception on 26 April 2022.

AXA also said the referral letter from Mr A's consultant dated 4 April 2024 stated Mr A had been suffering from his symptoms in the past two years. So they felt this also indicated the condition was present in April 2022.

AXA said if Mr A had had disclosed his nasal issues when the policy was taken out, they would've added an exclusion to his policy for any investigations or treatment related to nasal trouble, and any conditions arising from or associated with it. So the exclusion would remain on the policy and cover was declined.

Mr A referred the matter to our service. Our investigator looked into what had happened and said he didn't think AXA had treated Mr A fairly. He said he wasn't persuaded there was enough medical evidence to show Mr A had misrepresented when he took the policy out.

He said AXA should remove the exclusion relating to nasal trouble and reassess Mr A's claim. He also recommended AXA pay £100 in compensation to Mr A to recognise the distress and inconvenience they'd caused him.

AXA disagreed and asked for an ombudsman to consider the case. In summary they said:

- They didn't say the polyps were pre-existing. They accept the polyps could have

developed after the policy inception, but they think Mr A was suffering symptoms of a blocked nose and loss of smell prior to the policy start date.

- Mr A told his specialist in April 2024 that the symptoms started in the past two years, so this means they existed at the point of sale and should have been declared.
- Mr A admitted he had symptoms before the policy started and they believe the symptoms he was referring to was a severely blocked nose and a loss of sense of smell.
- They aren't saying Mr A deliberately set out to mislead them, but he should have declared his pre-existing symptoms under questions 3.1 and 3.3 of the application form.
- They disagreed that question 3.3 of the application form is too open. They said the question is to capture anything not relevant to the first two questions.

So the case 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 relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract.

Mr A's policy is medically underwritten, so he was asked questions about his medical history when he took the policy out so AXA could assess the risk they were willing to accept and the terms they could provide cover on.

AXA believe Mr A failed to disclose pre-existing symptoms at the point of sale so they retrospectively added an exclusion to his policy and declined cover for his claim for surgery to remove his nasal polyps. CIDRA allows an insurer certain remedies if they can show a consumer has made a qualifying misrepresentation when taking out a policy. So I've carefully considered the questions asked about Mr A's medical history at the point of sale to decide if AXA treated Mr A fairly.

#### Questions from the sale

- 1) *"3.1 Have you consulted with a specialist, been admitted to hospital or nursing home, or suffered from intermittent or recurrent illness during the last five years"*

AXA say because the referral letter from the consultant on 4 April 2024 said Mr A had been suffering from symptoms in the past two years, he should've answered yes to this question. They said two years takes the start of symptoms back to 2 April 2022 which is a few weeks before the policy was taken out.

But I don't think that's fair. The consultant said:

*"His main symptom has been a severely blocked nose also leading to lose his sense of smell....His symptoms started after viral infections in the past two years two of which were covid. His nose has been his main problem".*

The timescale set out by the consultant here is vague. "In the past two years" doesn't give a specific start date, so I can't be certain the symptoms didn't begin sometime after the policy inception. I don't think it was reasonable for AXA to assume this statement meant Mr A had

been suffering from a blocked nose and poor sense of smell ever since 2 April 2022. There isn't enough medical evidence to support that specific start date.

There also isn't enough evidence to show Mr A was suffering from an intermittent or recurrent illness that should have been disclosed. I don't think the medical information provided is clear enough for AXA to conclude Mr A misrepresented under this question, due to the mention of two previous episodes of Covid.

- 2) *"3.3 Other treatment. Have you had any medical condition, disability, or health problem, not mentioned above whether or not a doctor has been consulted, and if there any other information which you should in good faith disclose".*

CIDRA states in order for a misrepresentation to be made, the questions asked must be clear and specific. I find question 3.3 to be extremely general and I don't deem it clear or specific because it doesn't include any timescale or specifics.

But even if I did think the question was clear enough, AXA are again relying on the referral letter from the consultant on 4 April 2024 to show symptoms started prior to the policy starting. As explained above, the consultant hasn't provided an exact date for the onset of the symptoms. So I don't think it was fair for AXA to conclude Mr A misrepresented on this question.

I've also thought about the comments provided by Mr A's GP. This evidence showed Mr A reported suffering from Covid in 2021, but the GP says this was only in relation to congestion when lying down. They confirm there was no mention of loss of smell at that time.

The first medical forms states Mr A had first reported loss of smell in August 2022, and it had been present for three to four months at that time. AXA have again relied on this timescale and concluded it shows the symptoms were present for four months. But I don't think that was fair because the GP hasn't given a specific date – there is a month of unclarity and that period of time makes a difference here.

If the symptoms had only been present for three months from August 2022 time then they would have started after the sale of the policy. So I don't think it was fair for AXA to take a four month history from this submission. Further to this, I note the GP updates their notes a few weeks later, and they confirm Mr A only reported loss of smell after October 2022.

So I'm satisfied there isn't fair evidence to show Mr A's nasal issues were present before he took the policy out.

Mr A told AXA that the symptoms described prior to the policy start date were for a different condition. AXA said they believe the symptoms he was referring to was a severely blocked nose and a loss of sense of smell. But I'm not persuaded that's the case. As explained above, the GP has confirmed when Mr A first suffered from Covid, he didn't make any mention of loss of smell. So I think it's unreasonable for AXA to have made the assumption the symptoms he mentioned were in relation to loss of smell when there is no evidence to support this.

Based on the above, I'm not persuaded Mr A misrepresented when he took this policy out. So it was unfair for AXA to retrospectively apply an exclusion for nasal issues and decline Mr A's claim.

### **Putting things right**

AXA PPP Healthcare Limited must put things right by:

- removing the exclusion on Mr A's policy relating to nasal trouble and reassess his claim in line with the remaining policy terms
- Paying £100 in compensation to Mr A for the poor handling of his claim

**My final decision**

I uphold this complaint against AXA PPP Healthcare Limited and direct them 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 A to accept or reject my decision before 24 April 2025.

Georgina Gill  
**Ombudsman**