

The complaint

Mx P has complained that AXA PPP Healthcare Limited declined to pay for prescription costs under a private medical insurance policy.

What happened

AXA agreed to cover Mx P's consultation with a menopause specialist that took place in July 2024. The consultant prescribed HRT which Mx P paid for up front. However, on trying to claim the cost back from AXA, they were told that it was not covered.

Our investigator thought that AXA had acted reasonably in declining the claim, in line with the policy terms and conditions. However, she thought that Mx P had received some poor service in relation to the claim and complaint handling. So, she recommended that AXA should pay £75 compensation for that.

Mx P disagrees with the investigator's opinion and so the complaint has been passed to me for 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.

I've carefully considered the obligations placed on AXA by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for AXA to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under the agreed areas of cover within the policy.

So, I've considered the terms of the policy Mx P held, as this forms the basis of contract between the parties. There are several terms within the policy which I consider relevant to the complaint.

Section 1 is entitled '*Quick start guide to your membership*'. The introduction states:

'The tables in this guide give you an outline of your cover. For full details of your cover, please read the rest of your handbook too.'

Under the table of benefits, on page 10, it lists:

'Treatment of menopausal symptoms

No yearly limit

We will cover if you need to be referred to a specialist by your GP or the Peppy service for the treatment of menopausal symptoms.'

Section 4 of the policy is entitled 'Your cover for specific conditions, treatment, tests and costs'. The introduction states:

'You should read this section alongside the other sections of this handbook as the other rules of cover will also apply, for example our rules about chronic conditions and who we pay.'

This section then goes on to say, on page 38:

'4.10 >Drugs and Dressings

We don't cover drugs, dressings or prescriptions that:

- you are given to take home after you have had in-patient, day-patient or out-patient treatment; or*
- could be prescribed by a GP or bought without a prescription; or*
- are taken or administered when you attend a hospital, consulting room or clinic for out-patient treatment.'*

Mx P has highlighted the term on page 10, to demonstrate they have cover under the policy for menopause treatment. They have also referenced another term relating to chronic conditions which says cover if provided for: 'treatment for a few months so that your specialist can start your treatment'.

However, looking at the introductory wording to sections 1 and 4, as set out above, I'm satisfied it is made clear that the policy terms and conditions have to be read as a whole to gain a full understanding of the cover provided. This means that you can't rely on one section of the policy, whilst disregarding another, to determine what cover is available.

I've thought about what Mx P has said about the policy terms. However, overall, I'm not persuaded that they are contradictory. I also disagree that the prescription isn't caught by the exclusion on page 38, as they were given the prescription to take home after an out-patient appointment.

Mx P has said that being referred and guided through a process by AXA that will result in non-payment of treatment feels disingenuous. However, as previously mentioned, no insurance policy will cover every eventuality and I'm satisfied that AXA made it clear what it would and wouldn't cover.

Also, Mx P didn't need to try and interpret the policy wording for themselves. That's because AXA told them in advance that the prescription wouldn't be covered.

On the day that the referral to the specialist was confirmed, it sent a message which stated:

'Please be aware, if HRT is prescribed this is not covered, nor are any other outpatient drugs, by this benefit.'

Monitoring of menopause is NOT covered. Once you have a diagnosis and a treatment plan in place we would not expect to pay for any additional treatment.'

I'm sorry that Mx P is in this situation. However, overall, I'm satisfied that AXA has acted fairly and reasonably in declining the claim, in line with the policy terms and conditions. It follows that I do not uphold this part of the complaint.

There was some poor handling of the claim and subsequent complaint. Our investigator has previously set out the errors that occurred, so I won't repeat them here. On balance, I consider that £75 is a reasonable and proportionate amount to compensate Mx P for the distress and inconvenience caused.

My final decision

For the reasons I've explained, AXA PPP Healthcare Limited does not need to settle the claim for prescription costs. However, it should pay Mx P £75 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mx P to accept or reject my decision before 28 March 2025.

Carole Clark
Ombudsman