

The complaint

Mrs B complains about the way AXA PPP Healthcare Limited administered a personal private medical insurance policy.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the key events.

Mrs B was insured under her employer's group medical insurance policy. In February 2024, Mrs B left her employment. But her employer arranged for her to be transferred to a private policy for six months, with effect from 1 February 2024, at its cost. Mrs B had been undergoing private treatment under the old group scheme and needed more appointments.

AXA didn't receive payment for Mrs B's policy from her former employer until 18 March 2024. However, the premiums weren't allocated to Mrs B's new policy. On 25 March, the employer got in touch with AXA to say that Mrs B's policy wasn't in place. On the following day, it let AXA know that Mrs B couldn't book more treatment through her provider. AXA told the employer that if Mrs B gave the medical provider her membership details, she should be able to book the treatment.

On 18 April 2024, the premium payment was applied to Mrs B's new policy and AXA sent Mrs B's policy documents to her a few days later.

Subsequently, on 3 May 2024, Mrs B's employer got back in touch with AXA as Mrs B couldn't access her online account. Mrs B said this had meant she couldn't book new appointments with her provider. She said she'd discontinued her treatment, given there were only a few months of cover left on the policy and there wouldn't be time to undergo the full treatment she needed. Mrs B was unhappy with AXA's administration of her policy and she complained.

AXA issued its final response to Mrs B's complaint on 9 May 2024. It acknowledged that it hadn't allocated the premium payment to Mrs B's new policy until a month after it had been paid by her former employer. This had meant that Mrs B's new policy wasn't activated until 18 April 2024. It initially paid Mrs B £200 compensation for the distress and inconvenience it had caused her. And on 21 May 2024, it extended the term of Mrs B's policy for a further three months, at no cost to her.

Mrs B remained unhappy with AXA's administration of her policy and so she asked us to look into her complaint.

Our investigator thought AXA had already fairly settled Mrs B's complaint. In brief, he said AXA couldn't have activated the policy until 18 March 2024, when her previous employer had paid the premiums. And while there'd been a delay in allocating the payment to Mrs B's policy which meant she hadn't been able to book treatment with her provider, the investigator thought AXA had suggested a way for Mrs B to fix this on 26 March 2024. He didn't think AXA ought reasonably have been aware that there was still a problem with Mrs B

being able to arrange treatment until 3 May 2024.

In the circumstances, the investigator concluded that the £200 compensation AXA had already paid Mrs B, together with three months of free, extended cover was a fair and reasonable way to settle Mrs B's complaint.

Mrs B disagreed and so the complaint's 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.

Having done so, whilst I'm sorry to disappoint Mrs B, I think AXA has already settled this complaint fairly and I'll explain why.

First, I must make the parameters of this decision clear. I have only considered AXA's administration of Mrs B's policy up until 21 May 2024 - the date it agreed to extend the term of the contract for a further three months. I appreciate that Mrs B has since complained about AXA's administration of her policy after that date. AXA went on to issue a new final response about those particular points in October 2024. Our investigator looked into Mrs B's new complaint separately and another ombudsman will be considering the merits of that complaint in due course. So I won't be commenting on any of AXA's actions after 21 May 2024 within this decision.

It's clear that it was very important to Mrs B to hold personal private medical insurance cover after her cover under the group scheme ended, so that she could continue to access ongoing treatment. AXA accepts there were mistakes in the way it set-up the new policy, which caused Mrs B to suffer unnecessary trouble and upset. So it's paid her £200 compensation to reflect this, together with extending the policy term for a further three months at no cost to Mrs B. So I've considered whether I think AXA has done enough to put right its failings, taking into account relevant considerations such as regulatory principles and guidance and the regulator's rules, amongst other things.

I can see that while Mrs B's former employer requested the private policy cover be backdated to 1 February 2024, it didn't pay the premium to AXA until 18 March 2024. In my view then, AXA couldn't reasonably have activated the new policy until this date at the earliest. And I don't think I can fairly hold AXA responsible for the date it received the premium for the contract.

Unfortunately, once the premium had been received, AXA didn't apply it to Mrs B's new policy. This was a clear mistake on AXA's part and led to an entirely avoidable delay in activating Mrs B's contract. AXA's notes show that on 25 March 2024, Mrs B's employer got in touch with AXA to query whether Mrs B's new cover was in place. The following day, it indicated to AXA that Mrs B couldn't book treatment with her provider, given it appeared her cover had been cancelled. At this point, AXA told Mrs B's employer that if Mrs B gave the provider her new membership details, this should fix the problem. And it added that Mrs B or her employer should get back in touch if there were any further problems. I think this was a reasonable course of action for AXA to take at this particular point, as it seemed there was a way for Mrs B to arrange treatment with her provider.

It doesn't appear that Mrs B or her employer indicated that there were any further problems with booking treatment until Mrs B's employer got back in touch with AXA on 3 May 2024. AXA's notes show Mrs B contacted AXA in early April 2024 to explain that she couldn't link her private policy to her online account. But the notes don't suggest she raised any concerns

about booking treatment at that point. So, like the investigator, I don't think AXA could or should have been put on notice that Mrs B had experienced further issues with arranging treatment before 3 May 2024.

Following Mrs B's call of early April though, AXA learned that the premium hadn't been allocated to her new policy and therefore, it applied the payment to the new contract on 18 April 2023 and activated the cover. This was a month after Mrs B's employer had sent AXA the premium payment. As I've said, I think this was an entirely avoidable delay, which put Mrs B to time, trouble and inconvenience in chasing things up with both AXA and her employer.

It seems Mrs B had concerns that the delay in activating her policy would mean her cover term would end before she could undergo all of the treatment she needed. I can understand why this would have been a worrying and upsetting situation for Mrs B.

However, AXA agreed to extend the policy term for a further three months, at no cost to Mrs B. AXA waived total premiums of £3674.25 for this three month period. In my view, this was a very fair and reasonable response from AXA, which recognised that Mrs B's planned treatment could extend beyond the original end date of August 2024. And I think it gave her time to undergo the treatment AXA had already agreed to cover under the previous policy. I appreciate Mrs B later decided not to continue treatment with her provider, but I don't think I can fairly hold AXA responsible for that decision.

Taking together the premium waiver with the compensation of £200 AXA's already paid Mrs B, I think AXA's settled this complaint fairly. I think its overall award acknowledges that it caused Mrs B unnecessary trouble and upset and it provided Mrs B with a chance to undergo the treatment she needed. I find AXA's overall award fairly reflects the impact I think its errors up until 21 May 2024 had on Mrs B. So it follows that I'm not directing AXA to do anything more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 31 March 2025.

Lisa Barham
Ombudsman