

The complaint

Mr B has complained that AXA PPP Healthcare Limited mis-sold him a private medical insurance policy and about the way it handled a subsequent claim.

What happened

Mr B was sold the policy over the phone and chose the 'guided option' where he'd have access to a group of AXA's preferred medical professionals, rather than being able to choose his own consultants and specialists.

When he later made a claim on the policy, the consultant that AXA arranged for him to see referred him on to a particular specialist (specialist A). However, it transpired that AXA would not cover treatment under specialist A as he was not on AXA's guided list.

Mr B says he would never have bought the policy if he'd known that there was a possibility that AXA wouldn't cover a specialist that had been recommended by the initial consultant.

Our investigator thought that AXA had acted fairly and reasonably. Mr B disagrees 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.

Mr B has raised some further issues that have occurred since he had his surgery. However, he would need to address those concerns to AXA in the first instance, for it to investigate and provide a response. To be clear, this decision is only looking at the sale of the policy and the claims handling that formed part of his original complaint.

Mis-sale

This was an advised sale, meaning that AXA needed to ensure that the policy met Mr B's needs.

From what I know of Mr B's circumstances at the time, the policy was suitable for him. He had an interest in private medical insurance and would be able to take advantage of the benefits offered by the policy, subject to the relevant terms and conditions.

AXA also needed to provide information about the policy in a way that was clear, fair and not misleading.

I've listened to the call in question. The adviser asks: *'Would you rather be able to choose your own specialists or, to reduce the cost, would you be quite happy for us to help you choose from our preferred consultants?'* Mr B responds by choosing *'the preferred ones'*. The adviser then says: *'Yeah, perfect. No worries. So, so you still get the choice, so you can still choose any of those hospitals. We'll let you know which consultants are preferred and*

then you just choose from the preferred ones. You still get some degree of flexibility there, so I've got you on the guided option.' Later in the call, the adviser reiterates: *'We've got the guided option. You happy for us to help you choose your specialist'*.

Mr B says he went to see the initial consultant chosen by AXA, so he had a belief and expectation that any specialist that the consultant then referred him to would also be covered by AXA. However, looking at the available evidence, I'm not persuaded that AXA gave him that expectation.

Mr B has spoken about being on a 'guided pathway', suggesting that once the first steps have been agreed, the rest naturally follow on. However, the expression 'guided pathway' isn't a term that AXA uses. I'm not persuaded that AXA gave Mr B the impression during the sales call that this would be how the 'guided option' worked. Rather, he was told he'd be given a limited choice of consultants and specialists. There was no indication that this wouldn't be the case at every stage of treatment.

Mr B was provided with a copy of the policy document after the sale. This states, on page 30:

'Getting treatment

You chose the Guided option. This means we will give you a choice of hospitals you can use. As long as your treatment is covered and you're having it with a specialist we've helped you choose, we'll pay the bill in full.'

Mr B says it's not good enough for him to be told that something is in the handbook. However, it is a policyholder's responsibility to familiarise themselves with the policy and with what is and isn't covered. He says that he has a problem with reading longer text. However, I can't see that he ever told AXA that he had an issue with that or that he needed to be given information in a different format.

I've thought very carefully about what Mr B has said. However, overall, I don't consider that the policy was mis-sold.

Claims handling

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.

Even if there had been a misunderstanding at the point of sale, I'm satisfied that AXA clarified the position prior to Mr B's first appointment with the consultant. That's because, when it told him on 30 April 2024 that an appointment had been approved, it stated:

'Please keep us updated if you are referred for any further treatment or a different specialist or facility. Contacting us will enable us to confirm if we can continue to provide the benefit for your treatment, check that any hospitals are in our network and that your specialists are recognised with us, as well as help with any questions you may have.'

So, although Mr B says he was never made aware that he might not be able to follow a consultant's advice about onward referrals, that is not the case. I consider that Mr B ought reasonably to have known at this point that any referral to a further specialist needed to be pre-approved by AXA.

Although Mr B says he thought there'd be no problem, he nevertheless contacted AXA on 10 August 2024 to let it know that he'd been referred to specialist A and asked if it was ok for him to attend an appointment on 13 August 2024. AXA responded the same day to inform him that specialist A was not on its guided list and therefore cover could not be provided. So, I'm satisfied that AXA acted promptly to put things back on track. It gave Mr B the names of five alternative specialists that he could use.

Mr B said that, as he had accepted the appointment with specialist A's secretary over the phone, he was now liable to pay for it whether he attended or not. So, he decided to go ahead with the appointment. Specialist A then referred him back to the original consultant for CT scans and an angiogram, which AXA confirmed on 13 August 2024 would be covered. These tests took place on 4 September 2024 and 15 September 2024.

On 15 September 2024 the consultant spoke to specialist A who said that he did do work for AXA and so Mr B queried if he could have his surgery performed by specialist A. He said he needed to know urgently because he'd been told the surgery would be within the next six weeks.

Specialist A's secretary then contacted Mr B on 16 September 2024 asking him to make a follow up appointment to discuss the results of the scan and angiogram. From his point of view he was being prevented from going ahead with further treatment until it was clarified why specialist A wasn't covered. AXA replied the same day to say it needed more details of the procedure to assess whether an exemption could be put in place to allow it to cover surgery with specialist A, if it was necessary on medical grounds. It explained that specialist A was recognised by AXA, but as he'd declined to become contracted by it, he was fee limited, which meant that he was not covered under the guided option. Even under the more expensive flexible option, specialist A's entire fee would still not be covered and any shortfall would need to be covered by Mr B.

AXA then spoke to specialist A's secretary who asked for a follow-up consultation with Mr B before the requested information could be provided. AXA agreed to pay for this consultation as a one-off. This was reasonable of AXA, considering that specialist A is not covered under the guided option. Mr B nevertheless complained that, in that case, it should also cover the initial consultation, which AXA also then agreed to.

Mr B says that AXA agreeing to pay for the two consultations with specialist A is an admission that it had made a mistake. However, I'm not persuaded that's the case. Mr B appeared to be very set on the idea of having specialist A undertake the surgery, having been referred by the consultant. Therefore, AXA was trying to be helpful by exploring whether it could go off-list, but only if it was confirmed that it was medically necessary that the operation be performed by specialist A.

Mr B had the follow-up consultation on 4 October 2024 and a provisional date of 17 November 2024 was set for the operation. However, when AXA then did receive the further information from the secretary, it agreed to cover the procedure, but not with specialist A. That was because there were other surgeons available in the same area who were able to perform the surgery and who were fully covered under the guided option. Mr B was provided with the names of two alternative surgeons and told that a pre-operative consultation with one of these would also be covered.

I appreciate that Mr B was concerned that having to see a new specialist might cause delay and therefore negatively affect his health. However, he subsequently booked a consultation with one of the alternative surgeons (specialist B) for 23 October 2024 and the operation was carried out on 11 November 2024, so earlier than that planned with specialist A. And Mr

B has said that he actually preferred specialist B over specialist A, so there was no detriment in that respect.

It should also be noted that Mr B was given the details for specialist B on 10 August 2024, at the point that he was told specialist A wasn't covered. At that time, Mr B decided to attend the consultation with specialist A anyway, although I appreciate that was because he had already committed to it and so would be charged regardless of whether he went or not.

I have a great deal of sympathy for the situation Mr B found himself in. He had a serious medical condition which he obviously wanted resolved as soon as possible. I can also understand his frustration in not being able to use the specialist that his consultant referred him to. However, the matter at hand is whether AXA has done anything wrong, and I'm unable to conclude that it has.

I'm not persuaded that his belief and expectations about how the policy would work were the result of the policy being mis-sold. AXA told Mr B prior to his initial consultation that he would need to contact it regarding any onward referrals to ensure cover was in place. And it paid for two consultations with specialist A, outside of the policy terms, the second one being to explore whether it could agree to allow Mr B to have his preferred option.

Overall, based on the available evidence, I consider that AXA has acted fairly and reasonably. It follows that I do not uphold the complaint.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 May 2025.

Carole Clark
Ombudsman