

The complaint

Mrs P complains that AXA PPP Healthcare Limited has added exclusions for chronic conditions to her 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 the key events.

In 2015, Mrs P took out a personal private medical insurance policy.

Subsequently, in February 2023, Mrs P made a claim for the costs of therapy with a Clinical Psychologist. AXA authorised Mrs P's claim and covered 71 sessions with the therapist up until May 2024.

Unfortunately, in July 2024, Mrs P was hospitalised as an inpatient between 5 July and 8 August 2024 as she was suffering from a depressive episode with anxiety. AXA agreed to cover the costs of Mrs P's admission. It then authorised the cost of day-patient treatment for Mrs P up until 26 September 2024, before agreeing to cover a further 12 sessions of treatment over the following six months.

However, in mid-September 2024, AXA concluded that Mrs P's condition now met the policy definition of a 'chronic condition'. As chronic conditions were specifically excluded by the policy terms, AXA let Mrs P know that in March 2025, it would be applying an exclusion to her contract for depression, anxiety and related conditions.

Mrs P was very unhappy with AXA's decision and she asked us to look into her complaint. In brief, she said she'd believed her mental health cover was unlimited. And she told us that her consultant didn't consider her condition to be chronic.

Our investigator didn't uphold Mrs P's complaint. Based on the treatment AXA had authorised over a significant length of time, he felt it had been fair for it to conclude that Mrs P's condition now met the policy definition of a chronic condition.

Mrs P acknowledged the reasons why our investigator had found it had been reasonable for AXA to class her condition as chronic. But she didn't think it was fair for AXA to apply a long-term, ongoing exclusion to her contract for depression and anxiety. Instead, she felt it would be fairer for AXA to apply a time-limited exclusion of two years to her policy.

Our investigator maintained his view. So Mrs P asked for an ombudsman's decision on her complaint.

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 very sorry to disappoint Mrs P and I know she's been through a

very difficult time; I don't think AXA has treated her unfairly and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. I've taken those rules into account, amongst other relevant considerations, such as regulatory principles, the policy terms and the available evidence, to decide whether I think AXA treated Mrs P fairly.

I've first considered the policy terms and conditions, as these form the basis of Mrs P's contract with AXA. I accept that Mrs P's policy schedule says that she has unlimited cover for mental health treatment. However, that doesn't mean that AXA's bound to pay for all claims for the treatment of mental health conditions.

Page eight of the policy handbook includes a section called 'What are the key things my membership doesn't cover?' Immediately underneath, the handbook sets out a table listing the main restrictions on policy cover. One of these says:

'Your plan does not cover...Treatment of ongoing, recurrent and long-term conditions (chronic conditions).'

Page 13 of the handbook explains that AXA will pay for eligible treatment – which it considers to be treatment of an acute condition. AXA defines an acute condition as:

'A disease, illness or injury that is likely to respond quickly to treatment that aims to return you to the state of health you were in immediately before suffering the disease, illness or injury, or that leads to your full recovery.'

And pages 16 and 17 set out how AXA handles claims for chronic conditions. Page 16 says:

'Does my membership cover me for treatment of conditions that last a long time or come back (chronic conditions)?'

Your membership does not cover you for conditions that:

- come back (recur); or*
- are likely to continue for a while; or*
- are long-term.'*

AXA defines a chronic condition as:

'a disease, illness or injury that has one or more of the following characteristics:

- It needs ongoing or long-term monitoring through consultations, examinations, check-ups or tests.*
- It needs ongoing or long-term control or relief of symptoms.*
- It requires your rehabilitation, or for you to be specially trained to cope with it. • It continues indefinitely.*
- It has no known cure.*
- It comes back or is likely to come back.'*

The policy continues:

'What happens if a condition I have is a chronic condition?'

If your condition is chronic, unfortunately there will be a limit to how long we cover your treatment. If we are not able to continue to cover your treatment, we will tell you beforehand

so that you can decide whether to start paying for the treatment yourself, or to transfer to the NHS.'

In my experience, most, if not all, private medical insurers exclude cover for conditions which they consider to have become chronic, even if they may have covered treatment of the condition at an earlier stage in the claim. I therefore don't think Mrs P would have been able to find an alternative policy which would have provided ongoing cover for chronic conditions. And I think AXA has made the policy terms sufficiently clear in the policy handbook and on Mrs P's membership certificate. I'd add that AXA only needs to show that a condition meets one of the 'limbs' of the chronic condition definition in order to rely on the chronic condition exclusion to turn down claims. It doesn't need to show that all five limbs of the definition are met.

While AXA initially accepted Mrs P's claim for treatment, it later went on to classify her condition as chronic. So I've looked at the available evidence to decide whether I think this was a fair conclusion for AXA to draw.

As I've set out above, AXA initially agreed to cover 20 sessions of therapy with a clinical psychologist in February 2023. Between June 2023 and April 2024, the psychologist requested that further authorisation of a significant number of additional sessions. It appears that AXA agreed to cover 71 sessions with the psychologist to treat Mrs P for severe emotional distress, including symptoms of anxiety and low mood.

In July 2024, AXA agreed to cover Mrs P's admission as an inpatient to treat a depressive episode and marked anxiety. It agreed to extend this authorisation until 8 August 2024. It seems AXA covered 35 nights of inpatient treatment. AXA's notes show that Mrs P's treating doctor believed this was an acute episode due to external stressors but referred to Mrs P having been unwell around 20 years before.

Subsequently, on 8 August, Mrs P's specialist asked AXA to cover 12 sessions of outpatient treatment over four weeks. They stated that Mrs P's diagnosis was mixed anxiety and depression. The request stated: *'(Mrs P) remains vulnerable to relapse and deterioration in mood.'* The treating doctor went on to request a further six days of day patient treatment. And on 19 September 2024, the specialist requested a further 12 sessions of therapy to take place over six months. AXA agreed to cover this cost.

It seems then that by the time Mrs P's authorised treatment was due to end, in and around February/March 2025, AXA would have been paying for treatment of her condition for over two years. It had covered a substantial number of outpatient therapy sessions, as well as over a month of inpatient treatment. And Mrs P's specialist did indicate that Mrs P remained vulnerable to a relapse. So I don't think it was unreasonable for AXA to conclude that Mrs P's condition needed ongoing or long-term control or relief of symptoms. And on that basis, I don't think it was unfair for AXA to conclude that Mrs P's condition met the policy definition of a chronic condition.

Once AXA made its decision to exclude claims for depression, anxiety and related conditions after March 2025, Mrs P's specialist wrote a letter to AXA in support of Mrs P's condition. I've considered this evidence carefully. The specialist said that Mrs P was due to see a specialist for individual therapy to treat residual symptoms. He said:

'I anticipate that she will require 15 sessions to complete so will be finished by the end of February 2025. She has done well in treatment...I do not anticipate a relapse and believe she has a good prognosis.'

It's clear that the specialist changed their view on the likelihood of Mrs P's vulnerability to a

relapse – possibly because she'd undergone around six weeks of further treatment. And I accept that it seems the specialist thought Mrs P's prognosis was good.

But, on balance, I don't think this evidence is enough to outweigh the long-term and ongoing nature of Mrs P's treatment which AXA had already paid for. It also seems that Mrs P had previously suffered from a similar condition, even if the triggers were different. And so I still don't think it was unfair for AXA to conclude that Mrs P's condition had become chronic and therefore exclude ongoing cover after six months.

AXA accepts that it didn't communicate its decision to Mrs P in the most appropriate way and that its call handler didn't handle the call particularly well. I don't doubt that this was upsetting for Mrs P when she was already distressed at the prospect of cover ending.

But in the round, I don't think AXA has treated Mrs P unfairly. I find it was reasonably entitled to classify Mrs P's condition as chronic, in line with the terms of the policy. And so I don't think it was unreasonable for it to add an exclusion for anxiety, depression and associated conditions. I note that it provided Mrs P with six months' notice of its decision to allow her to conclude the therapy it had authorised, which I think was reasonable in the circumstances.

It's clear Mrs P believes the exclusion should be time limited and I've thought carefully about this. But in my view, AXA has applied its policy terms fairly and it's entitled to apply a long-term exclusion for Mrs P's condition. So I won't be asking it to amend or reduce the exclusion.

Mrs P also raised concerns about the sale of the policy. I explained above that I don't think any private medical insurer would've provided ongoing cover for all conditions on a long-term basis. So I don't think Mrs P could've found a policy which did cover all chronic conditions. And I'd also add that even if I were to conclude that AXA hadn't made the chronic condition terms clear (and I make no such finding), AXA would be entitled to deduct the value of the treatment it's paid out from any settlement I asked it to pay. It isn't clear then that Mrs P's suffered a financial loss in any event.

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 P to accept or reject my decision before 25 April 2025.

Lisa Barham
Ombudsman