

The complaint

Miss Z is unhappy that AXA PPP Healthcare Limited (AXA) declined a private medical insurance claim.

What happened

In March 2024, Miss Z took out a private medical insurance policy with AXA to cover her daughter who was newly born.

Miss Z contacted AXA in June 2024 to submit a claim for her daughter. AXA declined the claim as it said the condition was pre-existing.

Unhappy, Miss Z brought her complaint to this service. Our investigator didn't uphold the complaint and didn't think the claim had been declined unfairly as the condition being claimed for was pre-existing.

Miss Z disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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 insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly.

I've started by looking at Miss Z's policy with AXA. The policy was set up on a moratorium underwriting basis. This means that no medical underwriting takes place at the start of the policy. Instead, claims are assessed based on information the policyholder provides and any medical information that's required. And any pre-existing conditions from the previous five years of starting the plan are excluded which can become eligible for cover if the policyholder has been symptom free for two continuous years after the start of the plan.

Page 15 of the policy document says:

'What cover is there for treatment of any conditions I was aware of when I joined?

*We call conditions you were aware of when you joined **pre-existing conditions***

The definition of pre-existing condition

A pre-existing condition is any disease, illness or injury that:

- *you have received medication, advice or treatment for in the five years before the*

start of your cover, or

- you have experienced symptoms of in the five years before the start of your cover: whether or not the condition was diagnosed.'*

Page 16 of the policy document states:

'What if you didn't tell us about a condition, symptom or treatment you knew about when we asked?

When you joined, we may have asked you some medical questions before agreeing your cover. We worked out your terms of your subscription based on your answers. If you did not answer fully or accurately, even if this was by accident, we may not cover treatment for the condition.

This includes any pre-existing condition, whether you had treatment for it or not. It also includes any previous medical condition that comes back and any medical condition you should reasonably have known about. It doesn't matter if your condition has been diagnosed or not.'

The policy started on 13 March 2024. Miss Z's daughter was born on 13 March 2024. Miss Z explained that the 32-week scan showed an enlarged kidney, but she was told her daughter may grow out of it. However, after her birth, further tests were carried out and found that Miss Z's daughter hadn't grown out of it.

I understand this must have been difficult for Miss Z. However, this is considered a pre-existing condition as it was there before the policy was taken out. Whilst she was told the baby may grow out of it, this was a medical condition Miss Z would reasonably have known about when she took the policy out. The scan showed there was an enlarged kidney prior to the policy being taken out. The policy terms and conditions are clear that there is no cover for a pre-existing condition and in the circumstances here, I don't think the claim has been declined unfairly.

Overall, I'm sorry to disappoint Miss Z. But having taken everything into account, I don't think AXA declined the claim outside the terms and conditions of the policy and I don't think it did so unfairly or unreasonably. It follows therefore that I don't require AXA to do anything further.

My final decision

For the reasons given above, I don't uphold Miss Z's complaint about AXA PPP Healthcare Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Z to accept or reject my decision before 24 June 2025.

Nimisha Radia
Ombudsman