

The complaint

Ms B complains about the service she received from AXA PPP Healthcare Limited when she made a claim on her private medical insurance policy.

What happened

Ms B has a private medical insurance policy. She successfully claimed on the policy for investigations and treatment of knee problems, including an infusion of Zoledronic acid. AXA decided that they wouldn't fund further treatment as Ms B was experiencing a chronic condition. They said that the chronic condition was osteoporosis.

Ms B complained to AXA because she said she'd not had a diagnosis of osteoporosis and that the injection was for an acute condition. There was also confusion about the extent to which AXA would cover other outstanding tests. Ms B complained to AXA but they maintained their decision was fair and in line with the policy terms. Unhappy, Ms B complained to the Financial Ombudsman Service.

Our investigator looked into what happened and partly upheld the complaint. She didn't think AXA had acted fairly, bearing in mind the available evidence. She wasn't persuaded that they'd fairly concluded Ms B had a diagnosis of osteoporosis. And, overall, she thought AXA should pay £200 compensation for poor customer service.

AXA accepted the investigator's recommendation. They said that if the Zoledronic acid hadn't been used for osteoporosis it had been used 'off licence'. However, they said they wouldn't seek to recover the costs. They also said they'd cover the cost of an x-ray and would consider the cost of physiotherapy costs Ms B had incurred. They also agreed to remove an exclusion which had been applied to the policy and pay the £200 compensation.

Ms B asked an ombudsman to review her complaint. In summary she didn't think the compensation reflected that she had experienced several months of distress and trauma because of AXA's decision. She felt she'd been made out to be a liar and that she hadn't been supported by AXA. She also explained AXA hadn't settled the bill for the Zoledronic acid infusion they'd agreed to cover.

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 relevant rules and industry guidelines say that AXA has a responsibility to handle claims promptly and fairly. And, they shouldn't reject a claim unreasonably.

AXA now accepts that they prematurely concluded Ms B had a diagnosis of osteoporosis. So the key issue for me to decide is whether the compensation offered is fair and whether they've taken sufficient steps to put things right.

I'm upholding Ms B's complaint but I think that AXA has now done enough to put things right. I say that because:

- AXA has agreed to put Ms B back in the position she would have been in if the claim had been accepted. They've agreed not to recover the cost of one infusion and have agreed to reimburse the physiotherapy costs (up to the relevant policy limits) and remove the exclusion applied to the policy. I think that's reasonable as it ensures that Ms B hasn't lost out financially and her policy benefit has been restored. If Ms B considers there's any other outstanding payments, she will need to provide the relevant invoices to AXA for them to consider.
- I appreciate that Ms B says that she's had to settle the invoice for the infusion herself and there are other payments which are outstanding. I'm directing AXA to settle that invoice and so I don't think AXA needs to do anything further to put things right. And, as I've outlined above, AXA is willing to consider other invoices. I think that's fair and reasonable in the circumstances.
- I have taken into account that Ms B feels very disappointed in the service she received from AXA. She didn't receive the support she needed from them at a very difficult time and has experienced a lot of distress as a result. However, I think £200 compensation fairly reflects the impact of the poor service she received. I'm sorry that Ms B feels that this is derisory but I think it is fair and reasonable compensation in the circumstances.
- Ms B has raised concerns about AXA's ability to reach the conclusion that she had a diagnosis of osteoporosis without medical evidence. She felt she had to battle with AXA for a long time to correct this when she'd taken out a policy for peace of mind. AXA acknowledges that they didn't get things right when reaching the conclusion Ms B had osteoporosis and I hope it reassures Ms B to know that the Financial Ombudsman Service would expect AXA to learn from the circumstances of her complaint and apply any relevant learning in the future.

Putting things right

AXA needs to put things right by:

- Covering the cost of one infusion, as it's agreed to do so. If Ms B has settled this invoice with the provider directly then they should settle this with Ms B directly.
- Paying Ms B £200 compensation for the distress and inconvenience caused.
- Assessing any further invoices for treatment Ms B wants to be considered in line with the remaining policy terms.

My final decision

I'm partly upholding Ms B's complaint and direct AXA PPP Healthcare Limited to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 30 May 2025.

Anna Wilshaw
Ombudsman

