

The complaint

Mr B is unhappy that AXA PPP Healthcare Limited (AXA) declined his private medical insurance claim.

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.

Mr B took out a private medical insurance policy in October 2023. He renewed the policy in October 2024, but my understanding is that it has subsequently lapsed. The underwriter is AXA.

Mr B had a procedure carried out in August 2024. Following this, in October 2024, Mr B contacted AXA to inform it that he had another procedure booked with the same consultant to remove an external skin tag which resulted from the previous procedure.

AXA requested a letter from Mr B's consultant which was reviewed. It said the treatment wasn't covered under the policy. There was confusion caused between the policy handbook which AXA was quoting from, and the one Mr B had. He said AXA had quoted him a different policy term from the October 2024 handbook which he couldn't see. This was because he had the October 2023. Mr B said the October 2023 should apply as this was the one he had been provided with by AXA.

So, he made a complaint. Mr B said AXA had approved the same procedure in August 2024, but it was now refusing to provide cover.

AXA issued a final response and provided the relevant October 2024 policy handbook. AXA apologised for the confusion caused. It maintained its position that there was no cover for the claim Mr B had made, regardless of whether it was medically necessary

Unhappy Mr B brought his complaint to this service. Mr B said until more recently AXA still had the October 2023 policy handbook on his portal, and he still requires the procedure as the removal of it is a medical necessity. Our investigator didn't uphold the complaint. She didn't think AXA had treated Mr B unfairly.

Mr B 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 taken these rules into account when looking at this complaint.

I've started by looking at the relevant policy terms and conditions for the policy year from October 2024 to October 2025. As Mr B's claim was in October 2024, this policy handbook applied.

Page 29 of the handbook states:

'4.44 Warts, verrucas and skin tags

We do not cover treatment of skin warts, verruca or skin tags.'

The above term is clear and based on the information available there is no cover under the policy for Mr B's claim.

On 29 October 2024, AXA set an expectation for Mr B in that AXA needed to see a clinic letter from his consultant before it could assess and confirm the claim was covered. I can see an email was also sent to Mr B on 30 October 2024 to confirm this. I don't think that AXA had approved the claim at that point.

Mr B provided the letter from his consultant which explained that Mr B had a large skin tag, and a surgical excision would be required. A second email from the consultant provided additional information which showed that the procedure required was medically necessary.

AXA reviewed the information but said the claim wasn't covered even if it was medically necessary. There was some confusion between AXA and Mr B as he thought he was covered from the policy handbook he had, dated October 2023. This didn't refer to skin tags not being covered, only skin warts weren't covered. Mr B said he didn't have a skin wart.

I've carefully thought about Mr B's comments that the October 2023 policy handbook should apply as this was the one that he was provided by AXA. He's also said that the procedure was medically necessary.

However, I've also considered that Mr B's policy was renewed on 13 October 2024 and therefore the policy terms and conditions dated October 2024 would apply for any claims made in the year October 2024 to October 2025. I understand Mr B says that he had the October 2023 policy terms made available to him when he raised the claim. He says AXA is now relying on the October 2024 policy terms is unfair and a breach of contract. I don't agree. And I don't think that AXA has retrospectively changed the policy wording just so the claim could be declined. Insurers are constantly reviewing and updating their policy terms so it's not unusual that the policy wording changed from October 2023 to October 2024.

The policy handbook for October 2024 is the one that should have applied all along and had AXA uploaded the correct one on Mr B's portal, this wouldn't have been a question at all. Whilst the original operation was in August 2024, this isn't relevant. I think the procedure is a new one and falls within the policy year October 2024 to October 2025. The basis of the insurance contract is the policy terms and conditions. Applying the October 2023 to Mr B's claim wouldn't be fair to other policyholders and whilst I agree that the correct one ought to have been uploaded, this doesn't mean that the previous one should now apply.

I fully appreciate this has been frustrating for Mr B as he still had the previous October 2023 policy handbook. And AXA led him to think that the claim could be covered if the procedure was shown to be medically necessary.

I can see AXA apologised for not providing the correct policy handbook as it should have but it did provide this later. And I think the clinic letter was required in order to assess the nature of the procedure. So, I'm satisfied that the correct policy term has been applied to the claim, and I'm satisfied that it's not covered. I think AXA did enough to rectify the situation by offering an apology and providing the correct policy handbook.

I understand that Mr B is experiencing difficulty and requires the procedure. I'm sorry for this. But I can't ask AXA to be responsible for the claim as it's not covered under the policy – even if it was medically necessary. I'm satisfied that AXA hasn't treated Mr B unfairly by declining the claim as it was done within the relevant terms and conditions of the policy. It follows that I don't require AXA to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 October 2025.

Nimisha Radia
Ombudsman