

The complaint

Mrs N, on behalf of D – a small business partnership – complains that AXA PPP Healthcare Limited unfairly increased D's premium when its group private medical insurance policy was due to renew in February 2025.

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.

In 2016, D took out a group private medical insurance policy with AXA. Mrs N is the group administrator. AXA accepts that when the policy was taken out, it told D that annual premiums wouldn't increase by more than 5% each year. This position was reiterated in 2020, following a complaint D made after its premium had risen above this threshold.

Subsequently, in January 2023, D made a further complaint as its premium had increased by more than 5% again. AXA's final response stated that it would agree to honour a 5% increase for the 2023-24 policy year but that it wouldn't agree to do so indefinitely. It said that it would apply a 10% increase at renewal in 2024. But it told D that from the 2025 renewal onwards, premiums would be calculated in the usual way. The final response letter gave D referral rights to bring its complaint to this service within six months.

In late December 2024, AXA sent D renewal documentation. This showed that the annual premium had increased by 66%. So Mrs N complained to AXA on D's behalf. She maintained the premium increase should have been capped at 5% per year and she said that she hadn't received the 2023 final response letter.

AXA concluded that the 2025 premium had been calculated correctly. So Mrs N asked us to look into D's complaint. AXA told us that it wouldn't agree to us looking at anything that happened prior to the 2025 complaint, as it considered D was out of time to bring a complaint to us about anything that had happened in 2023.

Our investigator didn't think this complaint should be upheld. She agreed that we couldn't look at anything that had happened before D's complaint about the 2025 renewal. Based on the evidence she'd seen, she felt AXA had shown the renewal price had been calculated fairly. She considered the terms made it clear that AXA was reasonably entitled to change the price at renewal.

Mrs N disagreed on D's behalf and confirmed she'd like an ombudsman to consider whether or not AXA had acted fairly at the 2025 renewal. So the complaint's been passed to me to decide.

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 sorry to disappoint D, I don't think AXA has treated it unfairly and I'll explain why.

What I can look at

First, I must make the parameters of this decision clear. Our rules, which were written by the industry regulator, say that we can't look at all complaints. Those rules include time limits which we need to apply. One of those rules says that we can't consider complaints which have been made more than six months after a financial business issued its final response to a complaint unless that business consents to us doing so.

In this case, I can see that AXA previously issued a final response to a complaint brought by D in January 2023 about a premium increase of over 5% at renewal. This final response letter was correctly addressed to D and included clear referral rights to bring the complaint to this service within six months of the date of that letter – by 18 July 2023. AXA has also provided notes of a call between Mrs N and AXA on 18 January 2023 – the date the final response letter was sent. These notes suggest Mrs N was told a final response letter would be sent. So it seems likely Mrs N would have been expecting a written response.

The 2023 final response letter stated that while lower premiums would be agreed for the 2023-24 and 2024-25 policy years, premiums would be worked out in the usual way from the 2025 renewal onwards. AXA hasn't consented to us looking into the issues which were dealt with in this final response letter.

I think it's more likely than not that the 2023 final response letter was sent and, as I've said, I think it gave D clear information about how to make a complaint to us, as well as the relevant deadline for doing so. But D didn't complain to us until 31 January 2025. So I'm satisfied that D complained too late under our rules about the issues it raised in 2023. And this means I agree those complaint points have been made too late. I'm not persuaded any exceptional circumstances apply which would lead me to find that the 2023 issues have been made in time.

Therefore, I will only be looking at whether I think AXA handled D's 2025 renewal fairly.

The 2025 renewal

I've carefully considered the policy terms and conditions, as these form the basis of the contract between D and AXA. The plan terms state that each policy term is for one year. They state that prior to each renewal, AXA will issue renewal terms, including any proposed alteration to the premium. It goes on to say that both AXA and D have the right to refuse to renew the policy. As such, I'm satisfied that the policy terms make it clear that each plan year is a new contract and that AXA is entitled to recalculate the premium.

It might be helpful if I explain how we look at complaints like D's. We don't generally tell insurers how they should calculate risk or what price they can charge to cover that risk. AXA's entitled to decide whether or not it wants to offer insurance cover for a particular risk (in this case, claims relating to the people insured under D's policy). And if it does, what price it needs to charge for that.

So AXA will have assessed D's risk of needing to make a claim when it took out the policy and, from the 2025 renewal onwards, it's reverted to calculating the price in the usual way. If it thinks the risk has gone up (for example, because the risk-profile has increased or because health care costs have gone up), then it may need to put up the premium. So in complaints like these, what I look at are the factors the insurer has applied to calculate the premium and whether it's done so fairly. This is so that I can be satisfied that D has been

treated in the same way as any other AXA small business customer in similar circumstances and hasn't been singled out in any way.

It's clear that at the 2025 renewal, D's premium increased significantly. So I can understand why Mrs N's worried that AXA hasn't treated D reasonably.

AXA has provided me with commercially sensitive pricing information to show how the renewal price in 2025 was calculated. I'm afraid that I'm unable to share this information with D, although I can see the 2025 renewal paperwork explained the main factors which may affect the price. I hope it reassures D to know that I have considered all of this evidence carefully and that I think it fairly explained the relevant factors AXA took into account when it worked out the 2025 renewal premium.

I'd add too that I'm satisfied that AXA gave D clear information about different steps it could take to reduce the price – such as changing its current level of cover. It was also D's choice to remain with AXA– it was open to it to look elsewhere for a cheaper policy if it'd wished to do so.

Overall, based on what I've seen, I'm satisfied AXA's treated D in the same way it would any other policyholder who held an AXA policy in similar circumstances to its own. So I can't reasonably say it's treated D unfairly

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 D to accept or reject my decision before 17 October 2025.

Lisa Barham
Ombudsman