

The complaint

Mr G complains AXA PPP Healthcare Limited (AXA) withdrew cover for treatment he was receiving under his private medical insurance policy.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

Mr G holds a private medical insurance policy provided by AXA. In late 2024 and early 2025 AXA authorised Mr G's treatment for OCD which included consultations and therapy. In April 2025 Mr G asked AXA to authorise a follow up consultation with his psychiatrist and provided his most recent medical report. AXA reviewed this and said it wouldn't be covering any further treatment, including the sessions of therapy previously authorised, as it believed Mr G's treatment related to sexual dysfunction.

Mr G raised a complaint with AXA. He said he disagreed with AXA's decision to withdraw cover, and he was experiencing withdrawal symptoms due to no longer having access to his medication.

On 29 April 2025 AXA issued Mr G with a final response to his complaint. It said it was incorrect to reject Mr G's claim as sexual dysfunction. However, it also said the reports Mr G had provided from his consultant didn't show treatment for OCD and so it couldn't authorise any further treatment. It said it would review this on receipt of a report from his therapist confirming the condition Mr G was being treated for and what the therapy was addressing. AXA also authorised a further consultation with his psychiatrist so Mr G could discuss his medication options. Mr G referred his complaint to this Service.

Our investigator looked into things. She said she didn't think AXA had dealt with Mr G's claim fairly and this had caused him serious distress. She thought AXA should pay Mr G £500 compensation.

Mr G accepted our investigator's view, but AXA disagreed with it. It provided a detailed response but in summary it said:

- It was entitled to carry out a review of the treatment Mr G was receiving. It stopped authorising treatment because the psychiatrist didn't say what was being treated.
- It didn't agree it had prevented Mr G from accessing his medication.
- Mr G didn't make it aware he was upset about the incorrect classification of his condition until May 2025 and it had apologised for this.
- It would agree to pay Mr G £250 compensation for the distress and inconvenience caused.

As an agreement couldn't be reached, the complaint has 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.

I want to acknowledge I've summarised Mr G's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr G and AXA I've read and considered everything that's been provided.

I also want to be clear about what I've considered as part of this decision. I've considered the events which took place up until AXA's final response of 29 April 2025. I'm aware Mr G has raised issues he has experienced with AXA beyond this, however this would need to be raised as a separate complaint.

The relevant rules and industry guidelines explain AXA should handle claims promptly, fairly, and shouldn't unreasonably reject a claim.

AXA has acknowledged it hasn't handled Mr G's claim as well as it should have done and has now offered to pay him £250 compensation. So, I've considered whether this is reasonable to acknowledge the impact to Mr G.

AXA has accepted it was incorrect to withdraw cover for Mr G's treatment by concluding it was related to sexual dysfunction. Mr G has explained this classification of his treatment by AXA has caused him distress, and I can understand why this would be the case.

Following its withdrawal of cover, AXA said the medical reports it had received didn't show Mr G's treatment related to OCD which is what it had agreed to cover treatment for. Whilst I think AXA is entitled to review the treatment being received to ensure it is covered under the terms of the policy, I think it should be mindful when withdrawing cover for treatment which is currently in progress.

In this instance if AXA were unsure Mr G was receiving treatment relating to OCD, it could have contacted Mr G or his psychiatrist to ask for further clarification. I note following Mr G providing further information from his psychiatrist, AXA agreed to authorise further treatment. This suggests to me had AXA sought clarification Mr G's treatment could have likely continued uninterrupted.

Even if AXA thought it was necessary to withdraw treatment whilst it was ongoing, I think it should have thought about the consequences of doing so, such as whether it would impact Mr G's ability to receive medication it was aware he was receiving, and ensure it took steps to cause as little disruption as possible.

I think AXA's sudden withdrawal of cover has caused Mr G considerable distress. Mr G has said he had run out of his medication, and whilst he was able to later to get a new prescription through his GP, this wasn't immediate. He had to explain everything to his GP and had to wait for this to be agreed before a prescription was provided. In its final response AXA did authorise a further appointment with Mr G's psychiatrist to allow him to discuss his medication options, however Mr G has said as his case with the psychiatrist was closed, he was unable to arrange this appointment. And I can see in emails to AXA, Mr G told it he had already been unable to access his medication prior to it agreeing to authorise a further consultation.

Mr G has explained he experienced withdrawal symptoms from being unable to access his

medication and experienced increased anxiety. In an interim report from May 2025 I can see Mr G's psychologist has said Mr G had experienced an increase in distress due to withdrawal of his medication. Mr G reported increased anxiety and low mood, alongside reduced energy and concentration. I think this could have been avoided if AXA had handled Mr G's claim with more care before making the decision to withdraw cover.

Taking all of this into consideration, I don't think the £250 compensation AXA has offered to pay goes far enough to acknowledge the distress and inconvenience it has caused Mr G. AXA's decision to suddenly withdraw cover whilst treatment was ongoing meant Mr G was left without access to therapy or medication which in turn has caused him considerable distress and inconvenience. In addition, the reason it gave for withdrawing cover was inaccurate, and caused Mr G further distress given the nature of his condition. Taking all of this into consideration I think the £500 compensation suggested by our investigator is more reasonable to acknowledge the considerable distress and unnecessary inconvenience AXA caused to Mr G.

My final decision

For the reasons I've outlined above, I uphold Mr G's complaint about AXA PPP Healthcare Limited. I require it to pay Mr G £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 December 2025.

Andrew Clarke
Ombudsman