

The complaint

Mr S acts for his business – which I will call J - in bringing the complaint. He says AXA Health Limited ('AXA') has behaved unfairly in respect of the cost of J's private medical insurance policy.

What happened

In April 2024, Mr S took out a Business Health insurance policy for J, which included a 10% cashback discount on the policy premium when paying through a particular business credit card.

In February 2025, AXA sent Mr S the policy renewal documentation for J's cover – but this no longer included the discount. Thereafter, AXA did provide a revised quote to Mr S, but it could not commit to including the discount going forwards.

Mr S complained, noting he felt that AXA had acted contrary to Financial Conduct Authority ('FCA') rules. On 25 February 2025, AXA rejected the complaint. It said it had treated Mr S fairly in relation to the price of J's cover. The offer Mr S referred to was for new customers only, and did not breach the FCA's rules for fair pricing of policy premiums.

Mr S brought his complaint to this service. He said AXA should not be allowed to offer him a price for insuring J that was more costly than the 10% discount it offered new customers.

One of our investigators reviewed the complaint, but he didn't think it should succeed. He didn't believe AXA had acted unfairly in relation to the discount – which was available to new customers only. And there was no evidence to suggest AXA had otherwise unfairly calculated the premium for J.

Mr S said he disagreed and wanted the complaint to be referred to an ombudsman. He said, in summary:

- The framework issued by the FCA relating to price walking – which he felt had occurred in this case - ought to apply to medical insurance.
- Though the rules specifically relate to motor and home insurance cover, home insurance includes contents cover which is optional. Using that logic, medical insurance premiums should be considered in the spirit of the FCA's price walking framework.
- An ombudsman's consideration of what is fair and reasonable should include the intention of FCA rules for home and motor insurance, even if those rules do not strictly apply to other types of insurance.
- And even if this is not the case, AXA hasn't complied with relevant consumer law or the FCA's Principles for Businesses, specifically Principles 6, 7 and 12 and it should be considered as having breached those Principles.

Mr S thereafter provided a further response in the form of a written submission, which encompassed his previous grounds of appeal. I haven't repeated those submissions here, though I have read them in their entirety. The additional points Mr S made were:

- In future years, charging him 10% more than another new customer for the same risk and cover is inherently unfair.
- Under FCA regulations, insurers are required to provide communications that are clear, fair and not misleading.
- The relevant wording that showed cashback discount was only for new customers was buried in small print.
- AXA's actions breach all of the cross cutting rules within the Consumer Duty.
- To reinsure elsewhere involves considerable time for a business such as J.
- The investigator's findings risk setting a dangerous precedent that 'clear terms' alone can legitimise substantively unfair outcomes.
- To resolve the complaint, AXA should be required to maintain the 10% discount on each annual renewal for J.

AXA confirmed it had nothing else to add. The complaint has now 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.

I thank the parties for their patience whilst this matter awaited an ombudsman's decision. I do recognise Mr S's depth of feeling about this matter, and I understand that this situation has been frustrating for him. Having reviewed everything carefully, I've reached the same overall outcome as the investigator. I realise that won't be what Mr S hoped for, but I'll summarise my reasons for reaching this conclusion below.

The Financial Ombudsman Service provides informal dispute resolution. My remit is to make independent findings on what I believe to be fair and reasonable to both parties in the circumstances; this does not follow a prescribed format or require chronological assessment of every incident in the complaint history. Instead, I will set out my reasons for my findings on what I consider to be the central issues in this complaint, based on the evidence before me.

In reaching my decision, I will take into account relevant law and regulations, regulator's rules, guidance, standards and codes of practice, along with what I consider good industry practice at the relevant time. I note Mr S has questioned AXA's requirements under the FCA's ICOBS rules, as well as the rules set out at Principle 12, the Consumer Duty. I've carefully considered the detail of those obligations but for the reasons I'll go on to explain, I don't believe that AXA has treated Mr S unfairly regarding the renewal price for J's policy.

We do not act in the capacity of a regulator. That remit falls to the FCA, where it may look at wider issues governing how businesses conduct their operations or exercise what may be commercial judgement on the provision of a particular service. And, as our investigator has explained, the role of this service when looking at complaints about price is not to tell a business what it should or should not charge. Businesses are entitled to determine the cost of providing insurance based on various risk factors when setting the premiums for insurance cover. However, businesses must ensure that when doing so, they are treating customers fairly and acting in line with the relevant rules and regulations.

I can see that Mr S has referred to the FCA's General Insurance Pricing Practices and our investigator has explained how these only apply to motor and home insurance policies – which is correct. Mr S feels that price walking (the practice of increasing premiums gradually over time which can result in longstanding customers paying more than new customers) applies to his circumstances, despite the fact that the FCA's pricing rules have banned this

practice for policy renewals (of motor and home insurance cover).

Notwithstanding that Mr S did not renew cover for J that was either home or motor insurance, I don't believe that J has been subject to price walking in any event. What occurred in J's case was that the first year's cover had a promotional 10% cashback discount as an incentive for certain customers that banked with a third party business.

The promotional terms say:

*"10% cashback of the annual subscription is available for new customers who purchase a Business Health or Business Protect plan from AXA Health, when paying the annual subscription on their [bank card] for business. Our standard 5% discount for paying annually will also apply. This offer is limited to customers who are not, and have not in the last three months, been a member of an AXA Health individual, business or corporate plan, policy or trust scheme. **This offer applies to new policies for the first year of your plan only** [my emphasis]."*

I do not agree with Mr S when he has set out that AXA has behaved in a way that is unclear or misleading. To the contrary, I believe the promotional wording above is clear that the cashback offer only applies to new customers and to the first year of the cover; this was set out openly to Mr S from the outset of the policy in 2024. And importantly – the cashback is distinct from the actuarial calculation of the premium. I can see that Mr S contends that without the discount, J will have been charged a higher premium but this is not a correct interpretation. The premium calculation is distinct from the cashback, which applied in the first year only.

From the second year onwards the amount J pays overall may increase because of a lack of cashback, but AXA's approach to the premium calculation did not differ. I have seen no evidence that J has been treated unfairly when compared to any other policyholder renewing their Business Health cover. It follows that I cannot agree to uphold this complaint by asking AXA to honour a discount in future years, when the terms were explicit that cashback was to apply to new customers in their first year of cover only.

My final decision

I do not uphold this complaint or make any award. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S, on behalf of J, to accept or reject my decision before 4 December 2025.

Jo Storey
Ombudsman