

The complaint

Mrs R is unhappy that AXA PPP Healthcare Limited (AXA) mis-sold her a private medical insurance policy.

What happened

In November 2019, Mrs R took out a private medical insurance policy, which is underwritten by AXA.

In November 2023, the policy was due for renewal and Mrs R contacted AXA. Following discussions about reducing the premium on the policy, the out-patient benefit was changed from the full benefit (unlimited consultations) to the standard benefit (limited up to three consultations per policy year). The policy was renewed on the reduced premium.

Mrs R had surgery and subsequently received an invoice from the consultant. AXA put this through as a follow-up consultation. Mrs R didn't think the invoice should have been put through as a consultation but, as an aftercare appointment or a physical examination. AXA didn't agree. It said there was no such code and as it was a follow-up consultation, it could only be put through as that.

Mrs R made a complaint that the policy was mis-sold to her and that she was incorrectly advised at the time of renewal (in 2023). She said AXA hadn't been clear about the change in her policy from full out-patient benefit to standard out-patient benefit and what a consultation meant.

AXA didn't agree that she was advised incorrectly about the three-consultation limit on the standard out-patient benefit.

Unhappy Mrs R brought her complaint to this service. Our investigator didn't uphold the complaint. He didn't think the policy was mis-sold or that Mrs R was mis-advised.

Mrs R 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.

At the outset, it's important to point out that we're an informal dispute resolution service, set up as a free alternative to the courts for consumers. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue or point made in turn. This isn't intended as a discourtesy to Mrs R. Rather it reflects the informal nature of our service, its remit and my role in it.

Mrs R renewed her policy for the year 2023-2024 and says AXA mis-advised her. Industry guidance says that at the point of renewal the insurer should tell the consumer the

premium and let the consumer know that they should check the level of cover offered by the renewal is right for them. The information should be communicated clearly, in a durable medium and should draw the consumer's attention to the fact that it's important information.

Mrs R changed the out-patient cover to standard when she renewed her policy in 2023 as this reduced the premium she paid on the policy. The policy states that the standard out-patient cover provides up to three specialist consultations per policy year.

I've looked at Mrs R's membership statement for 1 November 2023. This confirms that the policy changed from having the full out-patient benefit to the standard out-patient benefit. And it's clear on the policy terms and conditions that the standard out-patient benefit provides cover for up to three specialist consultations a year.

Before Mrs R accepted the renewal policy, she had a number of discussions on the telephone with AXA. She was concerned that the premium on her policy had increased and she asked whether this could be reduced.

AXA has provided the relevant telephone call recordings, which I've listened to.

In her first call to AXA on 23 October 2023, Mrs R said she was looking to get the premium reduced for the upcoming renewal. She asked AXA what options she had. The advisor asked whether Mrs R understood the exact benefits she had on her policy. Mrs R said she did. The advisor then provided options for how the premium could be reduced. The option that made the most difference was moving to the standard out-patient benefit. This would reduce the premium by around £40. Mrs R said she would shop around and would get back to AXA.

Mrs R called again, on the same day, to ask about what 'three consultations' meant and how that would be applied. She asked whether it was three consultations with one consultant or three separate consultations with three separate consultants. The advisor said the consultation could be an initial consultation and a follow-up consultation with the same consultant and then the third one could be with a different consultant. He provided other scenarios. Mrs R said this was clearer now and that she understood what 'three consultations' meant. Mrs R also said that three consultations didn't sound very good and whether anything else could be done to reduce the premium. The advisor explained that he could go through the options again but as Mrs R had already been through them in the previous call, she declined. Near the end of the call, the advisor explained that if there was a fourth consultation, Mrs R would need to pay for this, but the diagnostics tests would still be covered. She said she understood.

The subsequent telephone discussions Mrs R had with AXA were regarding getting further clarification on the standard out-patient benefit and whether AXA could offer anything else. Mrs R asked questions regarding what this policy would provide versus what a different provider could offer to her if she started a completely new policy. AXA explained how this would affect the underwriting.

Having listened to the call recordings, I'm satisfied that AXA sufficiently explained to Mrs R what 'three consultations' meant in reference to her policy. She accepted the new renewal quotation for the lower premium and was sent the renewal documents in November 2023 which confirmed the details of the change in the policy. I haven't seen evidence that supports the policy being mis-sold or that Mrs R was mis-advised – Mrs R said she understood the policy and the change. AXA also responded to Mrs R's queries each time she called, explained how the policy worked

Mrs R received an invoice from the consultant following her surgery and she says this

shouldn't have been categorised as a consultation but an aftercare appointment. I've looked at the invoice. The appointment description by the consultant was: '*follow-up out-patient – face to face post-surgery*'. AXA says this would be input as a consultation and therefore impacts the three-consultation limit on the policy. AXA also says, based on the consultant's description, the appointment couldn't be added as anything else under the policy except a follow-up consultation. Based on the description by the consultant, I don't think AXA has acted unfairly or unreasonably by categorising this as a follow-up consultation.

Mrs R says the onus was on AXA to explain the word '*consultation*'. I've considered Mrs R's comments, but the meaning of the word wasn't in question during the discussions that took place on the telephone. Neither Mrs R nor AXA had any reason to explain the word in the telephone calls. Mrs R queried and asked for clarification about what the 'three consultations' meant and how they applied on the policy. From the calls I listened to, I note Mrs R had made claims previously which included consultations. She spoke to AXA a number of times but didn't say she didn't understand the meaning of the word. The main issue that was discussed was how many consultations the benefit provided and how this would apply in practical terms. So, AXA provided examples of this. Mrs R said she understood and subsequently accepted the renewal terms. She was sent the renewal documents, and she was informed that if she still had any queries about the policy or decided not to go ahead, she could contact AXA. I haven't seen any evidence that Mrs R contacted AXA following the renewal until she received the invoice from her consultant.

I've also considered that even if AXA explained the word '*consultation*' to Mrs R, it's more likely than not that she would still have renewed the policy as she did. I say this because she made a number of calls to AXA to see how the premium could be reduced. By taking the standard out-patient benefit instead of the full out-patient benefit, she had the option to reduce the premium by around £40. The change from the full out-patient benefit to the standard out-patient benefit provided Mrs R the biggest reduction the premium, which she understood and accepted.

As I've stated above, Mrs R made several enquiries about other options, but she still ended up accepting the renewal on the reduced premium with the standard out-patient benefit. Whilst she said the limit of three consultations wasn't as good as the full benefit, she decided to renew the policy at the reduced premium because the evidence suggests this was her priority. On balance, therefore, I'm not persuaded that AXA providing the meaning of the word '*consultation*' would have made a difference in the circumstances here.

I've taken regard that Mrs R says she had a physical examination and not a consultation following her surgery, so AXA is incorrect to put this through as a consultation. But I note the description by the consultant in the invoice says '*follow-up*' and '*out-patient*'. Mrs R was seen following a surgery she had by a specialist consultant. Regardless of whether this was a physical examination or an aftercare appointment, ultimately, a discussion would have taken place about the surgery. What's more relevant is the description of the appointment by the consultant. Based on this, I'm more persuaded this would have been a follow-up consultation, and I don't think it's therefore unfair or unreasonable that AXA applied this as such on the policy.

Overall, I'm satisfied AXA provided sufficient information to Mrs R so she could make a choice about whether to accept the renewal terms based on the standard out-patient benefit AXA went through the options with this in mind. However, the choice on whether to go ahead with the renewal terms was left to Mrs R. She asked several questions and made a number of telephone calls to discuss what this meant for her. Mrs R found the policy to be expensive when she received the renewal terms for November 2023. She accepted the lower premium and the terms of the standard out-patient benefit once she received the information she requested from AXA.

Taking everything into account, I think AXA acted fairly and reasonably in providing information to Mrs R and I haven't seen any evidence that suggests she was mis-sold the policy or she was mis-advised. I'm sorry to disappoint Mrs R. But it follows therefore that I don't require AXA to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 3 March 2026.

Nimisha Radia
Ombudsman