

The complaint

Mr S complains AXA PPP Healthcare Limited (AXA) has declined to cover treatment costs he incurred 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 S holds a private medical insurance policy provided by AXA. In December 2024 Mr S became unwell and said he was misdiagnosed with kidney stones by the NHS. He decided to attend a private hospital for investigations and was diagnosed with a perforated bowel. He was admitted to the private hospital and discharged a few days later. Mr S submitted a claim for reimbursement of the costs he had incurred.

On 3 January 2025 Mr S was admitted to the private hospital once again and surgery was later planned for 10 January 2025. On 9 January 2025, following discussions with the treating hospital and Mr S, AXA confirmed cover for the procedure Mr S required.

The following day, prior to Mr S's surgery, AXA spoke with the treating hospital and concluded Mr S's hospital admission was urgent. It spoke with Mr S and told him his policy didn't provide cover for treatment which the NHS could provide within six weeks and so his surgery wouldn't be covered. Mr S raised a complaint with AXA and went ahead with the surgery at the private hospital.

On 15 January 2025 AXA issued Mr S with a final response to his complaint. It said the treatment Mr S received in December 2024 and his admission in January 2025 weren't covered as the policy excludes urgent medical treatment. It apologised it provided an authorisation code for the surgery. Mr S referred his complaint to this Service.

Our Investigator looked into things and said he thought whilst AXA corrected its error in authorising the surgery, it did so too late. He thought AXA should cover Mr S's treatment costs from 3 January 2025 including the surgery and pay Mr S £500 compensation for distress and inconvenience.

AXA said it would agree to pay for the treatment costs Mr S incurred from 9 January 2025, when it made the error authorising the surgery, to the date he was discharged from the hospital. It also agreed to pay Mr S £500 compensation. This was later accepted by Mr S.

Following this acceptance, AXA paid Mr S £17,700 for the hospital fees which it said covered the hospital admission fees from 8 January 2025 until Mr S was discharged on 17 January 2025. It also paid Mr S £500 compensation. However, it raised concerns about the costs charged by the consultant as these were much higher than it would have authorised and included a number of procedures when the hospital had only charged for one.

Following a further review AXA said it would agree to pay an additional £3,325 toward the costs Mr S had incurred. It said the urologist wasn't present on the operation notes, but if it

was shown the urologist was present during the procedures it would pay a further £450.

Another Investigator looked into things. He said he didn't think AXA were entirely responsible for Mr S proceeding with treatment without authorisation. He said he thought AXA's more recent settlement offer, including the payment it had already made for the hospital fees and compensation, was reasonable in the circumstances.

Mr S didn't agree with our investigator. He said AXA authorised the treatment which he had carried out and subsequently agreed to reimburse him for this. He said it had now gone back and this and not paid what it had previously agreed to.

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 S'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 courtesy by this, but it simply reflects the informal nature of this Service. I assure Mr S and AXA I've read and considered everything that's been provided.

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

The terms of Mr S's policy explain AXA won't provide cover for urgent or emergency medical treatment as this is available under the NHS. And Mr S's policy includes a six-week option. This means if Mr S is able to receive the treatment he requires under the NHS within six weeks of needing treatment, he isn't covered for this treatment under the terms of his policy.

Mr S was admitted to the private hospital in December 2024 following the diagnosis of a perforated bowel. I've not seen evidence Mr S made AXA aware of this admission until after he had received treatment. And based on the evidence provided I think it was reasonable for AXA to conclude this admission, and the treatment Mr S received would be considered urgent or emergency medical treatment. Therefore, I think it was reasonable for it to decline to reimburse Mr S the costs he incurred due to this admission.

Mr S was admitted to the private hospital again on 3 January 2025 following his symptoms worsening and surgery was planned. I've not seen evidence Mr S made AXA aware of this admission until after he was already admitted and receiving treatment. And I've listened to a call between the treating hospital and AXA in which the treating hospital confirmed Mr S was admitted through its urgent care centre. So, I think it was reasonable for AXA to conclude this admission and the subsequent surgery was urgent or emergency treatment. So, strictly by the terms of Mr S's policy there's no cover for the treatment Mr S received.

AXA has acknowledged it made an error by authorising the surgery on 9 January 2025. So, I've considered whether I think this error has meant Mr S incurred costs for treatment he otherwise wouldn't have done.

Whilst AXA incorrectly authorised Mr S's surgery on 9 January 2025, it made both the treating hospital and Mr S aware that there was no cover for treatment prior to the surgery going ahead. Whilst I acknowledge this would have been distressing for Mr S, particularly given he was due to have surgery that day, I'm not persuaded AXA's error is the reason Mr

S incurred the treatment costs he has done. Mr S didn't make AXA aware of his admission on 3 January 2025 and this hadn't been authorised by AXA. This suggests Mr S was willing to proceed with treatment privately, regardless of whether it had been authorised by AXA. He also made the decision to proceed with the surgery privately despite AXA confirming it wasn't covered under his policy. So, I think Mr S was always intending to have the surgery carried out privately, regardless of AXA's error in authorising treatment.

Taking all of this into consideration, I think AXA's offer to reimburse Mr S the hospital fees Mr S incurred following its error is more than reasonable. I also think its offer to pay Mr S £3,325 and a further £450 if it can be shown the urologist was present and involved in the procedure is reasonable. Ultimately, I'm satisfied Mr S's treatment costs aren't covered by the terms of his policy and I'm persuaded these are costs Mr S would have always incurred, regardless of AXA's error. Therefore, AXA's offer goes beyond what I would have required it to pay if it hadn't already offered to do so.

Whilst AXA quickly corrected its error, I think Mr S was still caused considerable distress as a result. He had been given the expectation his treatment was covered, and only learnt it wouldn't be on the day of his surgery. AXA has paid Mr S £500 compensation for the distress and inconvenience this caused. I think this is reasonable to acknowledge the considerable distress Mr S was caused and so I don't require AXA to pay any further compensation.

My final decision

For the reasons I've outlined above I uphold Mr S's complaint about AXA PPP Healthcare Limited. I require it to:

- Pay Mr S £3,325 toward the treatment he received.
- If Mr S can evidence the urologist was present for the procedures, pay Mr S £450 toward this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 December 2025.

Andrew Clarke
Ombudsman