

The complaint

Mr K has complained that AXA PPP Healthcare Limited declined a claim he made on a private medical insurance policy.

What happened

Mr K had a medical test in October 2024 that resulted in a diagnosis of hiatus hernia. He therefore made a claim on the policy for a referral to a specialist. AXA declined the claim on the basis that symptoms of the condition were pre-existing at the start date of the policy.

In response to the complaint, AXA maintained its position in relation to the claim decision. However, it accepted that there had been some poor customer service, so it offered him £150 compensation for the distress and inconvenience caused.

I wrote a provisional decision last month in which I explained why I was thinking of upholding the complaint and inviting further comments from the parties. Mr K accepted my provisional findings. There was no response from AXA.

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've carefully considered the obligations placed on AXA by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for AXA to handle claims promptly and fairly, and to not unreasonably decline a claim.

The policy was taken out on a moratorium basis in July 2019. That meant that any pre-existing medical conditions present in the five years prior to inception would not be covered until a there had been a two-year trouble-free period after inception.

The policy defines a pre-existing medical condition as:

'A pre-existing condition is any disease, illness or injury that:

- *you have received medication, advice or treatment for in the five years before the start of your cover, or*
- *you have experienced symptoms of in the five years before the start of your cover: whether or not the condition was diagnosed.'*

As explained in my provisional decision, Mr K has suffered from gastro-oesophageal reflux disease (GORD) for many years. As GORD is often a symptom of hiatus hernia, AXA had concluded that to be the case here as a reason to decline the claim. However, Mr K had undergone an investigative gastroscopy (a type of endoscopy) in 2014. The result was that there was no hiatus hernia. Therefore, I'm satisfied that is evidence that he had GORD without a hiatus hernia being present.

AXA had said that hiatus hernias are not always seen on endoscopy, so it essentially dismissed the findings of the 2014 test. However, it had itself provided information about endoscopy being the standard test to diagnose a hiatus hernia. My view remains that, in the absence of any evidence to the contrary, AXA should consider the results of the 2014 endoscopy as reliable.

AXA also cited a medical report showing that hiatus hernia is present in about 50-94% of people with GORD. However, whilst accepting that statistic, I was not persuaded that AXA had shown that to be the case in this instance. Overall, I am not persuaded that AXA have done enough to demonstrate that the hiatus hernia was pre-existing.

It was on 23 September 2024 that his GP recorded that he'd had a worsening of symptoms over the last 12-18 months. It was due to experiencing new and different symptoms (although described as a worsening of GORD) in 2023 that caused Mr K to undergo the endoscopy, where he received the diagnosis of hiatus hernia on 25 October 2024.

Mr K had been living with GORD for a long period of time and had been using medication to manage the condition, so it's clear that the GORD was a pre-existing medical condition. Therefore, if he was making a claim for the treatment of that in itself, it would be reasonable for AXA to decline the claim.

With regard to the poor service that occurred, I remain of the view that £150 is sufficient compensation for the distress and inconvenience caused. My understanding is that Mr K hasn't cashed the cheque that was sent to him in May 2025. If that is the case, AXA should re-issue the cheque now.

As neither party has provided any further substantive comments, I see no reason to depart from the outcome I reached in my provisional decision. It follows that I uphold the complaint.

My final decision

For the reasons set out above, my final decision is that I uphold the complaint. AXA PPP Healthcare Limited should re-consider the claim on the basis that the hiatus hernia was not pre-existing, subject to the remaining terms and conditions of the policy. It should also re-issue the £150 cheque for compensation if it hasn't been cashed by Mr K.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 9 March 2026.

Carole Clark
Ombudsman