complaint

Mr D is unhappy that AXA PPP Healthcare Limited has told him it will no longer be paying for the treatment he has been having for a skin condition. He thinks AXA is wrong in deciding that his condition is chronic and for applying a special condition to his policy.

background

I issued my provisional decision (which is attached and forms part of this final decision), in December 2015. I asked both parties to provide me with anything else they'd like me to look at before I issued my final decision.

In my provisional decision I explained that I was thinking about not upholding Mr D's complaint. In response, both parties have said that they have nothing further to add before I issue my final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As neither party has provided anything else for me to look at, and have said they have nothing further to add, I see no reason to depart from my provisional decision. So for the reasons set out in my provisional decision, I don't uphold Mr D's complaint.

my final decision

For the reasons set out in my provisional decision, my final decision is that I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 February 2016.

Katie Doran
ombudsman

Copy of provisional decision

complaint

Mr D is unhappy that AXA PPP Healthcare Limited has told him it will no longer be paying for the treatment he has been having for a skin condition. He thinks AXA is wrong in deciding that his condition is chronic and for applying a special condition to his policy.

background

AXA has been covering treatment costs for Mr D's skin condition for some time. However, AXA told Mr D that it wouldn't be making any further payments towards the treatment from January 2015, because the treatment falls outside the terms of the policy. This is because AXA says the condition is ongoing, and can no longer be classified as an acute condition.

Mr D disagrees with AXA's view. He says that his condition is improving, so therefore can't be classified as chronic. Because Mr D and AXA didn't agree, Mr D referred this complaint to this service.

The adjudicator decided to uphold Mr D's complaint. He thought that while Mr D's condition was chronic, the policy allowed for the inpatient treatment of acute flare ups to return the chronic condition to its controlled state. So he thought that as the policy was underwritten at the point of sale, AXA shouldn't attempt to re-underwrite the policy and remove elements of the cover.

AXA didn't agree, it said that the condition would never be treated on an inpatient basis. It also said it hadn't re-underwritten the policy, but that it had applied a special term to the policy.

Because AXA didn't agree with the adjudicator's opinion, the complaint has been passed to me for decision.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I don't think Mr D's complaint should be upheld.

I've firstly looked at whether Mr D's condition fits the policy definition of a chronic condition. A chronic condition is defined as:

A disease, illness or injury that has one or more of the following characteristics:

- *it needs ongoing or long-term monitoring through consultations, examinations, check-ups and/or tests;*
- *it needs ongoing or long-term control or relief of symptoms;*
- *it requires your rehabilitation or for you to be specially trained to cope with it;*
- *it continues indefinitely;*
- *it has no known cure;*
- *it comes back or is likely to come back.*

Unfortunately, much of what Mr D's specialist has written is illegible, and the letter which he sent to AXA is support of Mr D's case simply tells them to pay the claim without any real detail regarding the condition or the prognosis. The handwritten notes are illegible in most parts but the word '*continuation*' is given in answer to the question '*Further treatment plan, including the intended length of treatment and probable dates'*. At no point has Mr D's specialist explained that this is an acute condition.

AXA has provided some evidence as to the nature of the condition, and it's clear from publicly accessible information on the condition that it is something that is likely to come back in the future. So

on balance, I think it's fair for AXA to classify Mr D's condition as chronic under the terms of the policy.

While the adjudicator thought that Mr D's condition should still be covered because inpatient acute flare-ups are covered under the terms of the policy, given the nature of the condition, I don't agree. AXA has explained that Mr D's condition would never be treated and dealt with under inpatient conditions. And given the medical evidence available regarding the condition, I agree. While Mr D has said that surgical treatment was an option available to him, I've seen no evidence to persuade me that this would be undertaken as an inpatient either. So I don't think that AXA has been unreasonable in applying a special condition to Mr D's policy, which means he can no longer have the treatment for his condition covered under the terms of the policy.

Finally, Mr D says he chose not to undergo expensive surgical treatment and instead opted for the less expensive but more time consuming option. While I understand this has likely added to Mr D's frustration, this doesn't change my decision. This is because the insurer is able to apply the special condition without having to take into account the amount Mr D has potentially saved them in claim payments.

my provisional decision

For the reasons set out above, I'm currently minded not to uphold Mr D's complaint against AXA PPP Healthcare Limited. I now invite both parties to provide any further information for me to look at by 1 February 2016.

Katie Doran
ombudsman