

complaint

Mrs L has complained that AXA PPP Healthcare Limited has unfairly applied an exclusion to her private medical policy and has misrepresented the extent of her cover for her medical condition.

background

Mrs L had her AXA policy since before May 2013 and when it renewed at that time, she then upgraded it. So her policy was renewed each May. In June 2013, she made a claim for a venesection for her blood disorder. She made claims for her continuing treatment for her blood disorder throughout the rest of 2013, 2014 and up to May 2015 when her policy was due to be renewed again.

At that time, AXA said it wouldn't cover any more treatments for her blood disorder and applied an exclusion on her policy for this. It also increased her premium. Mrs L was very unhappy about this and complained. She said AXA had previously told her it would cover her condition until it stabilised. AXA said this was incorrect and it apologised and it said her policy didn't provide cover for chronic conditions. It said it explained this to her in January 2015 and actually didn't stop provide cover for until the time of the renewal of her policy in May 2015.

Mrs L remained unhappy and brought her complaint to us. She was particularly concerned her premium had increased and yet her ongoing medical condition was now excluded.

The adjudicator detailed the mistakes AXA had made and thought its service to Mrs L had been poor. But she thought as it had now agreed to pay Mrs L £100 compensation that this was adequate compensation for this poor service. She didn't think AXA had done anything wrong in deciding not to cover Mrs L for her ongoing blood disorder as such chronic conditions weren't covered by her policy.

Mrs L didn't agree with the adjudicator's view and so her complaint has been passed to me to decide.

my findings

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

There's no dispute that AXA made several mistakes in dealing with Mrs L. First, it said it would cover her treatment for her blood disorder until it stabilised but then said it wouldn't. It then wrongly imposed another exclusion on her policy for a condition Mrs L had never suffered from. It also contacted her consultant for a report about the wrong condition, which delayed its consideration of her actual condition. I consider that wasn't good service and unnecessarily distressed Mrs L.

However unfortunately Mrs L suffers from a blood disorder, which is likely to be chronic and will need ongoing monitoring and probable treatment to make sure it's properly controlled. AXA's policy like most other private medical policies doesn't provide continual cover for ongoing or chronic conditions. Given it paid her claims for treatment of this condition from June 2013 to May 2015, I don't consider that it's done anything wrong in now excluding any further treatment of this condition. Its policy term is clear in excluding such ongoing control or relief of symptoms.

Mrs L is also concerned her premium was increased after AXA told her it wouldn't cover treatment for her blood disorder any further. She felt given this, her premium amount should have decreased. We've asked AXA to explain this and it's explained that how premium levels are calculated is understandably commercially sensitive. Normally it's not something, which this service would interfere with. But it explained in Mrs L's case that her no claims discount has naturally decreased. Given the number of claims she'd made it had reduced to 0%, which then would have consequently increased her premium amount on renewal. I think this is a reasonable explanation as to why her premium level increased.

So in conclusion, I don't think AXA did anything wrong in refusing to continue to pay for Mrs L's treatment of her blood disorder given its policy exclusion for such chronic and ongoing conditions. I also don't think it did anything wrong in increasing her premium given its explanation. But I do think it was confused in dealing with her concerns and her complaint and made several errors as detailed above which caused Mrs L unnecessary distress. It's willing to pay her £100 compensation for these errors. I consider that this level of compensation is fair and is in line with our guidance on our website.

my final decision

For the reasons I've discussed above, it's my final decision that I uphold this complaint in part.

I now require AXA PPP Healthcare Limited to pay Mrs L the sum of £100 compensation for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 11 April 2016.

Rona Doyle
ombudsman