DRN-4602799

The complaint

Mrs G complains about the way AXA PPP Healthcare Limited has handled a claim she made on a group private medical insurance policy.

What happened

Mrs G is insured under a group private medical insurance policy. In March 2023, Mrs G called AXA to make a claim for investigations into a knee injury. AXA authorised Mrs G's claim and explained that an annual outpatient limit of £1000 applied to the policy and that physiotherapy would fall within the scope of that limit.

In May 2023, Mrs G called back for authorisation for knee surgery. She explained that she would also need physiotherapy. AXA authorised Mrs G's claim. The call handler reiterated the outpatient limit of £1000 and that physiotherapy would be included in that limit. They also explained that physiotherapy treatment would be limited to a period of six months.

Subsequently, Mrs G underwent surgery and physiotherapy. AXA covered the costs Mrs H incurred. In mid-August 2023, Mrs G contacted AXA again to discuss the need for further physiotherapy. During this call, Mrs G was wrongly told that physiotherapy wouldn't be deducted from the outpatient limit.

Mrs G underwent further physiotherapy sessions. But in mid-September 2023, she received an invoice which showed an outstanding balance she needed to pay. So she contacted AXA again. AXA clarified that the costs of physiotherapy were deducted from the outpatient limit and that Mrs G had used up her annual allowance. It also reiterated that physiotherapy treatment is usually limited to a six month period.

However, it acknowledged that its call handler had given Mrs G incorrect information about her cover in August 2023. So it agreed to pay any physiotherapy costs Mrs G incurred up until 22 September 2023. It also sent Mrs G £150 compensation.

Mrs G was unhappy with the way AXA had handled her claim and so she asked us to look into her complaint.

Our investigator thought AXA had responded to Mrs G's complaint fairly. She felt the policy terms made the outpatient limits clear. And she was satisfied that in March and May 2023, AXA's call handlers had clearly explained that physiotherapy costs would be taken off of the annual outpatient allowance. She felt too that AXA had clearly told Mrs G that physiotherapy treatment for her particular condition would be limited to a six-month period – although this would be shorter if the annual outpatient limit was exceeded sooner.

However, the investigator acknowledged that in August 2023, AXA had wrongly told Mrs G that the outpatient limit wouldn't be affected. And Mrs G had relied on this information. The investigator thought this had potentially prejudiced Mrs G's position. So she thought it had been fair and reasonable for AXA to agree to pay for any physiotherapy treatment up until 22 September 2023. This was a few days after Mrs G had correctly been informed that she'd reached the outpatient limit. The investigator felt this mitigated any financial losses Mrs G

had been caused by the misinformation Mrs G had been given. And she also thought the compensation AXA had already paid Mrs G was fair and reasonable in the circumstances.

Mrs G disagreed. She said that if she'd been given the correct information, she'd have spaced out her physiotherapy appointments and booked shorter appointments. She said she'd been denied this opportunity as a result of being given the wrong information.

The complaint's 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.

Having done so, whilst I'm very sorry to disappoint Mrs G, I think AXA has already settled her complaint fairly and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that insurers must give policyholders reasonable guidance to help them make a claim. I've taken those rules into account, amongst other things, when deciding whether I think AXA treated Mrs G fairly.

I've first considered the policy terms and conditions, as these form the basis of the group scheme insurance contract. Page six of the Membership Handbook sets out the annual outpatient limits which apply to Mrs G's group scheme in a tabular form. The policy says that there's an annual outpatient limit of £1000 a year and goes on to say:

'The limit applies to out-patient specialist consultations, diagnostic tests, practitioner, therapist and acupuncturist charges. It does not apply to out-patient surgical procedures or MRI, PET or CT scans.'

Page six also includes the following:

'Fees for out-patient treatment by physiotherapists, acupuncturists, osteopaths or chiropractors…Paid from your out-patient limit up to a combined overall maximum of 10 sessions in a year when your GP refers you or you have physiotherapy or osteopathy treatment through our Working Body team…We call physiotherapists, osteopaths and chiropractors therapists.'

In my view, AXA's policy terms make the annual outpatient limits clear. And I also think they make it sufficiently clear that physiotherapy costs will be deducted from the annual limit. I'm mindful too that in March and May 2023, two of AXA's call handlers clearly explained the outpatient allowance to Mrs G and that the costs of physiotherapy would be taken from it.

However, it's common ground that in August 2023, AXA wrongly told Mrs G that in fact, physiotherapy costs wouldn't affect the outpatient limit, even though it seems she had nearly reached the allowance limit. So I can entirely understand why, at that point, Mrs G would've understood that her physiotherapy treatment wouldn't be subject to the overall annual limit. It's clear that Mrs G did arrange physiotherapy appointments at this point, which took her over the benefit limit threshold and which she was liable to pay under the policy terms. I agree with our investigator then that the misinformation AXA gave Mrs G did cause her to lose out financially.

So I next need to think about whether I'm satisfied AXA took fair steps to put things right. And I think it did. I say that because AXA gave Mrs G correct information about her cover

around a month later. And it agreed to pay any physiotherapy costs Mrs G had incurred between the call in August 2023 and 22 September 2023. This not only ensured that Mrs G wasn't financially liable for the treatment she received during this time, it also gave her a period of time in which she could attend any pre-booked appointments she wouldn't have been able to cancel without a penalty. I'm satisfied then that AXA mitigated any financial losses Mrs G might potentially have incurred as a result of the misinformation it gave her.

I appreciate Mrs G says that if she'd been aware of the correct position, she'd have structured her appointments differently. It's possible that this is the case. But generally, a therapist will schedule treatment according to a patient's clinical needs. And I've seen no persuasive evidence that Mrs G's treating physiotherapist based their treatment schedule on any information AXA gave Mrs G in August 2023. On that basis, I don't find that AXA needs to pay for any further outpatient treatment Mrs G has undergone or will undergo during the 2023-24 policy year.

As I've set out above, I also think AXA made the potential six-month time limit on physiotherapy treatment in Mrs G's particular clinical circumstances clear ahead of her surgery. Mrs G appeared to understand what AXA had told her at this point. And AXA's provided us with evidence which shows that such a time limit would generally apply to physiotherapy claims in this clinical situation. On balance, I'm satisfied it did enough to highlight the potential time limit on physiotherapy treatment. After such a time period, AXA would generally consider a condition to have become chronic and therefore excluded by the policy terms.

AXA acknowledges that its handling of Mrs G's claim caused her some unnecessary trouble and upset. It's already sent her £150 compensation. In my view, this is a fair, reasonable and proportionate award to reflect the material distress and inconvenience I think AXA's mistake caused Mrs G, taking into account its prompt steps to mitigate any financial losses she'd incurred. So I'm not directing it to pay anything more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 19 March 2024.

Lisa Barham
Ombudsman