

The complaint

Mr H is unhappy with AXA PPP Healthcare Limited (AXA) because it didn't fully settle a private medical insurance claim.

Mr H is being represented by his father on this complaint.

What happened

Mr H took out a private medical insurance policy on 22 February 2020. AXA is the underwriter on the policy.

On 30 March 2023, Mr H contacted AXA for a referral. He had a consultation and was referred to a gastroenterologist.

On 1 April 2023, AXA sent Mr H an email confirming that an initial consultation with a specialist, diagnostic tests and a follow up consultation will be covered. And on 3 April 2023, AXA sent Mr H an email to confirm the consultants he can use and the hospital they worked from.

On 13 July 2023, Mr H contacted AXA that he was being chased for an outstanding amount from the hospital where he had the treatment. The hospital Mr H chose to have treatment wasn't the one AXA had provided information about. AXA reviewed the costs and asked Mr H to send a detailed invoice so it could assess the cover.

Mr H's father contacted their broker who received confirmation from AXA that the claim hadn't been fully settled. This was because Mr H hadn't received treatment from the hospital list provided under the policy. Mr H says he was never informed that AXA wouldn't pay the full amount of the claim. There was further communication between Mr H's father and their broker.

Unhappy with the responses he received from AXA via his broker, Mr H made a complaint in September 2023. AXA issued a final response on 31 October 2023. It said Mr H chose to see a specialist at a hospital that wasn't under his chosen hospital list on his policy. It said Mr H didn't contact AXA to check whether the hospital he was planning to use was on its hospital list. AXA said it hadn't made any errors and paying the shortfall was Mr H's responsibility.

Mr H brought his complaint to this service. Our investigator didn't uphold the complaint. She said Mr H's treatment hadn't been carried out in a hospital under his chosen hospital list. Therefore, she thought AXA had applied the charge correctly and this was in line with his policy terms.

Mr H disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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.

Industry rules set out by the regulator (the Financial Conduct Authority) say that insurers must handle claims promptly and fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when making my final decision about Mr H's complaint.

Having done so, I'm not upholding Mr H's complaint. I'll explain why.

- I've considered the terms and conditions of Mr H's policy. The membership certificate clearly states, on page 5, that full cost of treatment in hospitals that aren't on the policy's hospital list and by specialists that aren't recognised under the plan won't be covered. And on page 8, it states that if another hospital or specialist is chosen, AXA will only contribute part of the cost and the member will need to pay the remaining amount themselves. And it goes on to say that the cost could be significant, and it may not cover the fees at all in some cases.
- I've also considered the policy handbook. On page 3, it states that it's important to use hospitals under the hospital list. If a member has treatment in a hospital that's not on the hospital list, AXA will only pay 60% of the charges. The member will be responsible for paying the remaining charges.
- I understand Mr H contacted AXA on 30 March 2023. A referral to a gastroenterologist was provided. A follow-up email was sent on 1 April 2023 to Mr H. The email confirms that AXA will cover the initial consultation with a specialist, diagnostic tests and a follow-up consultation. It also says if further treatment is recommended, Mr H should contact AXA.
- I can see a second email was sent to Mr H on 3 April 2023. The email provided Mr H with names of two specialists and the hospital they were based at. The email asked Mr H to contact AXA if he was going to use a different provider.
- From the information available, under the terms and conditions of his policy, Mr H was required to have contacted AXA before he had the follow-up treatment. AXA had provided sufficient information – in the policy documents and in the emails that were sent to him – for him to have known that he ought to have contacted AXA once he'd had the initial consultation, diagnostic tests and the follow-up consultation.
- I can't see that Mr H contacted AXA before 13 July 2023. This was after he'd received the treatment and because he'd received an invoice from the treatment provider where it took place. Mr H was being chased for payment of the treatment.
- Mr H says he had no recollection of being advised his further treatment wouldn't be covered under the terms of his policy. I acknowledge his comments. However, I can see that Mr H was provided with the relevant policy documentation confirming the cover that was available on his policy. And AXA sent him emails to inform him of the next steps he needed to take following his initial call to start the claims process.
- I think the information Mr H had was sufficient for him to have known that he may not be fully covered if he chose a provider that wasn't on the hospital list. And I also think the information was clear on what cover was available under the policy and the steps Mr H needed to take next regarding his claim.
- Overall, taking everything into account, I'm satisfied that AXA fairly settled Mr H's claim in part and that was in line with his policy terms and conditions and in line with the Financial Conduct Authority's (FCA) rules of treating customers fairly.

- I'm sorry to disappoint Mr H but I don't think AXA has done anything wrong. It follows therefore that I don't require AXA to do anything further.

My final decision

For the reasons given above, I don't uphold Mr H's complaint about AXA PPP Healthcare Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 August 2024.

Nimisha Radia
Ombudsman