

The complaint

Mr R complains that AXA PPP Healthcare Limited has unfairly declined his claim under his private medical insurance policy.

What happened

Mr R was insured under a group private medical insurance policy provided through his employers. This policy was insured by AXA.

In July 2023, Mr R contacted AXA as his eyesight was deteriorating and he needed to have an operation. AXA advised he would need to see a specialist in order for them to review if this would be covered and provided details of specialists. Mr R complained to AXA that at least two of the specialists it had given him couldn't treat his condition. AXA offered £150 in compensation.

Mr R contacted AXA in December 2023 to advise he had seen a specialist and wanted to go ahead with the surgery. AXA advised it needed to obtain information from the specialist before it could authorise the treatment. This information was provided and AXA then declined the claim. AXA said that this was because it didn't cover claims for surgery under the procedure code given if the patient had had previous laser eye surgery – as Mr R had previously had laser eye surgery some years earlier, this meant his claim for that procedure wasn't covered. It referred to a policy exclusion which states there isn't cover for treatment to correct refractive errors.

Unhappy with this outcome Mr R complained to AXA. He said that AXA had known in July 2023 that he had previously undergone laser eye surgery. He also said that the procedure he was due to have wasn't going to correct his eyesight but was to treat a different condition. AXA maintained its stance to decline the claim but did make an offer of £300 for the delay. Mr R then brought his complaint to us. Our investigator looked into the matter but didn't uphold the complaint. He found that AXA had fairly declined the claim and thought the compensation offered for poor service was reasonable. Mr R disagreed with this outcome and, as no agreement could be reached, the matter was passed to me to decide.

On 24 July 2024 I issued my provisional decision. In it I said the following:

“Has the claim been declined fairly?”

The relevant rules and industry guidelines say that insurers must handle claims fairly and promptly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Mr R's complaint. In declining Mr R's claim, AXA has referred to policy exclusion 4.19 which states:

We do not cover any treatment to correct refractive errors, including long sightedness, short sightedness or astigmatism.

AXA also said that it declined Mr R's claim on the basis that it doesn't provide cover for that particular procedure if there has been previous laser eye surgery.

I don't think the exclusion which AXA has quoted here is particularly relevant to Mr R's claim.

The policy doesn't specifically state that AXA won't pay for this procedure if there has been previous laser eye surgery. But I don't think it needs to. This is part of AXA's internal criteria when deciding whether a procedure is covered by the policy. AXA is entitled to set and apply such internal criteria, as long as it does so fairly and treats customers in the same situation in the same way. It wouldn't be practical for AXA to set out its internal criteria for each and every procedure in its policy terms and conditions. I've seen a copy of AXA's internal criteria. I'm satisfied that it has applied this fairly in Mr R's case.

AXA has also subsequently referred to an exclusion in the policy which states the following:

- 4.37 > Treatments, medical or surgical interventions or body modifications that are not covered by your plan*
If you had treatments, medical or surgical interventions or body modifications previously that would not have been covered by your membership, we will not cover
...
• *any treatment which is connected with the treatment, medical or surgical intervention or body modification you had previously.*

Laser eye surgery isn't a treatment covered by this policy. So, AXA says this exclusion means treatment that is connected to previous laser eye surgery wouldn't be covered. In a letter dated 4 September 2023, the consultant Ophthalmologist writes that the condition Mr R is suffering from is one 'that occurs after laser eye surgery'. As the specialist has stated that the condition giving rise to the claim is as a result of the laser eye surgery Mr R had, and as that laser surgery is considered ineligible treatment, AXA has stated that this claim isn't covered. I'm satisfied that AXA's decision to also decline the claim under this exclusion is fair and reasonable.

But notwithstanding this, Mr R's previous laser eye surgery means he is precluded from making a claim for the procedure in question as a result of the internal criteria set by AXA, regardless of whether his eyesight issues were related to the previous surgery.

Customer service

Mr R has also complained about AXA's customer service. He said that AXA was aware he had previously had laser eye surgery when he contacted them in July 2023, so he doesn't think it was fair that it took so long to decline his treatment. AXA has said that it was aware of the procedure code from August 2023 but when this was provided to them it hadn't been confirmed by a specialist that this was the correct code and it would require that confirmation. However, AXA has accepted that it could have checked this information earlier and has paid a sum of £300 to Mr R as compensation.

I've thought about this carefully. I can appreciate the additional stress that has been caused to Mr R as a result of the time it took AXA to provide him with an answer. Whilst I don't think it is unreasonable for AXA to request for the procedure code to be checked and agreed by a specialist to ensure this is the right code for the right treatment, I think it could have done more to manage Mr R's expectations.

I'm aware that Mr R has also mentioned that he was referred to consultants by AXA who weren't specialists in his condition. AXA has said that the specialisms of each consultant are from their profiles – which AXA has no control over – and so I don't think they can be held responsible for this. AXA isn't responsible for the provision of private healthcare to Mr R – it's responsible only for paying claims which are covered under its agreement with Mr R's

employer. However, I can see that AXA did pay Mr R £150 for the inconvenience he suffered – I'm not persuaded it needs to do anything more.

AXA has paid a total sum of £450 to compensate Mr R for the overall service issues he experienced. Taking everything into account I'm satisfied that this offer of compensation is fair. I'm not asking AXA to pay anything further."

Both parties have confirmed receipt of the provisional decision, but no further submissions have been made.

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.

As no additional comments or submissions have been provided by either party, I see no reason to change the outcome made in my provisional decision.

Taking everything into account, I'm satisfied that AXA has acted in a fair and reasonable manner when declining Mr R's claim. I also think the compensation offered to Mr R for the total sum of £450 is fair. I don't require AXA to do anything further.

My final decision

For the reasons mentioned above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 September 2024.

Jenny Giles
Ombudsman