DRN-5138683

The complaint

Mrs E complains that AXA PPP Healthcare Limited mis-sold a private health insurance policy to her and acted unfairly when it declined her claim.

What happened

Mrs E is represented by a family member. But for simplicity, I've only referred to Mrs E in my decision. So, any reference to Mrs E includes the actions of her family member.

Mrs E called AXA on 21 September 2023 to get a quote for a private health insurance policy. The policy started on 30 September 2023 and it was underwritten on a moratorium basis. This meant that treatment for pre-existing medical conditions Mrs E had in the five years prior to taking out the policy were excluded from cover for at least the first two years. These conditions could become eligible for cover if Mrs E was trouble-free from that condition for two years in a row.

Mrs E got in touch with AXA on 18 November 2023 to make a claim for physiotherapy. AXA said it needed medical information about the condition Mrs E had, considering how recently she'd taken out the policy. After receiving this, AXA declined the claim as it said it related to a pre-existing condition. Unhappy with AXA's response, Mrs E brought a complaint to our service.

Our investigator didn't uphold the complaint. Overall, she thought AXA had made it clear during the sales call that any pre-existing condition or ongoing treatment wouldn't be covered. She also thought the policy documents clearly set out the moratorium terms. The investigator also thought that as the evidence showed Mrs E's claim related to a pre-existing condition, AXA hadn't acted unreasonably when it declined the claim. Overall, she didn't think AXA had acted unfairly or unreasonably in the circumstances of Mrs E's complaint.

Mrs E didn't agree with our investigator's findings. In summary, she disagrees because of the following:

- She made it clear to AXA she needed face to face appointments when taking out the policy, but AXA would only provide virtual physiotherapy appointments.
- Her condition started more than five years previously and it required frequent physiotherapy. The pain she was in was stopping her from doing day to day activities.
- She told AXA she had this condition when she took out the policy but AXA wasn't clear that physiotherapy wasn't covered for this condition.
- The reason for taking out the policy was to get private physiotherapy treatment, and this was made clear to AXA during the sale.

As no agreement was reached, the complaint has 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.

Industry rules set by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mrs E's complaint.

I've listened to the sales calls. Firstly, AXA explained at the start of the call that it didn't offer advice, but it would provide information so that Mrs E could make her own choice. This means that this wasn't an advised sale, so it wasn't AXA's responsibility to make sure the policy was suitable for Mrs E. Instead, AXA needed to give Mrs E clear information so she could make that decision for herself.

I think AXA explained clearly during the call on 21 September 2023 that the policy didn't provide cover for any conditions that Mrs E had in the previous five years. AXA also explained that the policy would only cover treatment for any new issues and it wouldn't cover ongoing treatment. AXA explained this again on 30 September 2023. It said anything Mrs E had in the last five years won't be covered until she's been trouble-free for two years.

Mrs E's membership certificate also sets out that the policy had been accepted on moratorium underwriting terms, and it explains what this means. The policy terms and conditions set this out as follows:

> *"If you joined us on moratorium terms, it means that you won't have cover for treatment of medical problems you had in the five years before you joined us until:*
> - *you've been a member for two years in a row, and*
> - *you've had a period of two years in a row, since you joined, that have been trouble-free from that condition.*
>
> *[…]*
>
> *Trouble-free means that you have not done any of the following for the medical condition you need treatment for:*
> - *had a medical opinion from a medical practitioner, including a GP or specialist*
> - *taken medication (including over-the-counter drugs)*
> - *followed a special diet*
> - *had medical treatment*
> - *visited a practitioner, therapist, acupuncturist, psychologist, cognitive behavioural therapist, optician or dentist."*

I think AXA explained clearly how the policy worked both over the phone and in the policy documents. It also made it clear that ongoing physiotherapy wouldn't be covered, rather, this would only be covered for new issues.

Mrs E made it clear during the sales call that she needed face to face appointments, rather than virtual ones. And it looks like there may have been some confusion around this during Mrs E's claim. However, AXA has confirmed that the policy does cover face to face appointments – it would just need a referral from a GP or a specialist before authorising this. But AXA says that as the claim related to a pre-existing condition, there was no cover for the physiotherapy Mrs E needed.

Having considered everything, I don't think AXA mis-sold the policy to Mrs E. I think it provided her with the information she needed to decide if the policy was suitable for her needs.

When Mrs E made a claim for physiotherapy, AXA said it needed medical evidence to validate the claim. This was because Mrs E had taken out the policy only recently, so it needed to make sure the condition she was claiming for wasn't pre-existing.

AXA first reviewed the letter dated 1 December 2023 from Mrs E's consultant which referred to *"chronic low back and hip pain"* and that Mrs E explained *"her mobility has reduced significantly over the last 6 weeks and the pains are now stopping her from doing day to day activities"*. AXA didn't think this report was enough for it to validate the claim – that means, to confirm the treatment didn't relate to a pre-existing condition – so it asked Mrs E and her GP to complete a medical information form. In this, Mrs E's GP noted that her symptoms had started on 11 September 2023 after an accident. As this pre-dated the policy inception date, AXA said Mrs E's claim was caught by the moratorium term and it declined the claim.

Having looked through the evidence I've referred to above, I think AXA acted fairly and reasonably in the way it handled Mrs E's claim, and why it declined it. I think AXA acted reasonably in what evidence it requested to validate the claim, for the reasons it did. I also think it acted reasonably when it concluded that the claim related to a pre-existing condition, for the reasons it did.

I'm sorry to disappoint Mrs E, but I don't think AXA has acted unfairly or unreasonably in the circumstances of her complaint.

My final decision

My final decision is that I don't uphold Mrs E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 17 December 2024.

Renja Anderson
Ombudsman