

## **The complaint**

Mr P complains AXA PPP Healthcare Limited (AXA) provided him with insufficient information about his cover options at renewal, causing him to pay a higher policy premium.

## **What happened**

Mr P held private medical insurance underwritten by AXA for a number of years.

When renewing his policy in 2022, AXA advised Mr P he could increase his excess and this would reduce his premiums. Mr P was able to choose a higher excess of £1,000, £2,500 or £5,000 and he asked AXA how each of these options would impact the price. After receiving the quotes, Mr P chose to increase his policy excess to £2,500. Mr P renewed his policy again in May 2023, and at that time AXA again advised him he could choose to increase or decrease his excess, which would impact the premium.

In August 2023, Mr P contacted AXA and asked if the higher excess options he had been presented with in 2022 and 2023 were available when he renewed in 2020 and 2021. He said he wanted to know if he could have had a higher excess, which would have resulted in a lower premium. And if that was the case, he asked AXA to refund the additional premiums he'd paid.

AXA treated Mr P's contact as a complaint. In its response it said it had confirmed that Mr P had the highest level of excess available for the options he had chosen. And it refused to refund any premiums.

Unhappy with the response, Mr P brought his complaint to this service. He said he should have been presented with all of the available options in 2022 so that he could make an informed choice. He said he chose the more expensive option, because he wasn't made aware that a cheaper option was available to him. And he said he believes he would have chosen the cheaper option in 2020 and 2021, had he been informed of this.

## **My provisional decision**

The case was passed to me to decide and I issued a provisional decision to both parties. In summary I said:

When Mr P renewed his policies, AXA wasn't providing advice about what cover he should take. However, the relevant industry rules require an insurer to provide information that's clear, fair, and not misleading. And it was for Mr P to decide if the policy met his requirements.

Having considered this, I didn't think AXA provided sufficiently clear information to Mr P at his renewal in 2020, to enable him to make an informed choice about the best policy for his needs.

AXA provided recordings of its calls with Mr P. During the first call at the end of April, AXA told Mr P he had the maximum excess for standard outpatient cover. Mr P

asked about paying a higher excess, and the agent said he already had the maximum excess for standard outpatient cover. This persuaded me that Mr P was interested in having a higher excess on his policy, if this would reduce his premiums.

Based on the second call, I thought it was clear Mr P was considering the premium price difference as a factor in his decision on whether to keep his existing policy benefits. I said this because AXA's agent took him through each of the benefits explaining how these could be changed or removed. And Mr P asked what was included and what the difference in price would be for the majority of the benefits.

AXA's agent gave Mr P a quote for a policy with no outpatient cover and the 'guided' specialists option. But they did not tell him when giving this price, that with these policy options he would also be able to increase the excess and that this would lower the price further. It wasn't until the renewal two years later in 2022, that AXA advised Mr P of the higher excess options available when removing outpatient cover.

I noted in the third call Mr P stated he wanted a quote for a policy keeping the same £500 excess. But I was persuaded he said this because he had previously been told this was the highest excess available, having asked if he could increase the excess in his first call.

AXA said it wouldn't have been appropriate to discuss removing outpatient cover, as Mr P had stated he wanted to keep this. However I disagreed. The renewal in 2020 was a non-advised sale, but AXA was still required to provide information that's clear, fair and not misleading, so that Mr P could decide if the policy met his requirements. Mr P asked for the difference in price with no outpatient cover in both his second and third calls at the 2020 renewal. And he asked a lot of questions about the implications of removing this cover. So I was persuaded he was considering whether or not to keep the outpatient cover, and the difference it made to the price was important to him. Because of this, I didn't think it was sufficient for AXA to tell Mr P the price for a policy with no outpatient cover, without also telling him he could choose to increase the excess on that policy. Doing so would have significantly reduced the premium and Mr P had told AXA that was his goal.

I went on to think about what was most likely to have happened in 2020 if AXA had told Mr P about the option to increase the excess when removing outpatient cover. I concluded it was most likely Mr P would have removed the outpatient cover from his policy and increased the excess to £2,500. I said this because the call recordings showed Mr P was willing to remove the outpatient cover to reduce the cost of his policy, and he had previously asked AXA about increasing his excess. These changes would have resulted in a significant premium reduction, and when Mr P was told about the option to increase his excess in 2022, he chose to set it at £2,500.

To put things right, I said AXA should calculate the difference in premiums for Mr P's policies which started in 2020 and 2021. This should be based on the difference in price between the cover he had in place, and the same policy without outpatient cover and an excess of £2,500. And I said AXA should pay the difference to Mr P, plus interest.

### **The response to my provisional decision**

Mr P responded confirming he had nothing to add. AXA also responded. It said it accepted the provisional decision and was willing to pay the recommended redress.

## **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.

And I've considered again my provisional findings. Having done so, I see no reason for me to depart from the conclusions set out in my provisional decision and summarised above, as both parties accepted my findings.

## **My final decision**

For the reasons I've given, it's my final decision that I uphold this complaint and direct AXA PPP Healthcare Limited to do the following:

- re-calculate the cost of Mr P's policies which started in 2020 and 2021 with the outpatient cover removed and the excess increased to £2,500;
- pay Mr P the difference between the above amounts and the premiums he paid for his 2020 and 2021 policies; and
- pay interest at 8% simple from the date each premium payment was originally paid, to the date of settlement. AXA PPP Healthcare Limited must pay the compensation within 28 days of the date on which we tell it Mr P accepts my final decision. If it pays later than this, it must also pay interest on the compensation, from the date of my final decision to the date of payment, at 8% simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 December 2024.

Gemma Warner  
**Ombudsman**