DRN-4472420

The complaint

Mrs T complains about the settlement paid by AXA PPP Healthcare Limited trading as AXA Health under a private medical insurance claim.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

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.

The Core Cover Table under the policy says that a cash payment will be made (under the Extra Care Option) if the insured has free in-patient treatment under the NHS, and that AXA will pay £100 a night up to £2,000 a year. It then says:

'We pay this when:

- *you are admitted for **in-patient treatment** before midnight; and*
- *we would have covered your **treatment** if you had had it privately.'*

Words in bold are specifically defined. The policy defines 'in-patient' as:

'a patient who is admitted to hospital and who occupies a bed overnight or longer, for medical reasons.'

Mrs T was admitted to an NHS hospital for in-patient treatment that AXA would have covered privately. She remained in hospital for 91 nights, so AXA paid Mrs T the maximum amount of £2,000. I'm satisfied this was in line with the policy terms.

Mrs T has referred to a quote which says there is 'Out of Directory cash benefit' which is £50 a day for day-patient treatment, and £50 a night for in-patient treatment. She points out there's no limit for this. Mrs T thinks AXA should settle her claim on this basis, rather than limit it to £2,000.

The quote confirms the summary of the benefits should be read in conjunction with the handbook (policy). I've therefore considered what the policy says about this.

The Core Cover Table says there is a cash payment (£50 a night for in-patient treatment and £50 a day for day-patient treatment) if the insured uses a hospital or day-patient unit that is not in AXA's Directory of Hospitals (in other words, 'out of directory'). It then refers the reader to section 3.8 of the policy for details.

Section 3.8 says if the treatment is covered by the membership, then AXA will pay the hospital fees in full. So long as the insured uses a hospital, day-patient unit etc in its Directory of Hospitals.

It then says:

'What happens if I choose a different hospital or scanning centre for treatment?

*Our cover for private **treatment** at places not listed in our **Directory of Hospitals** depends on whether you have the Extended Cover Option.*

*If you do not have the Extended Cover Option and you have private **in-patient** or **day-patient treatment** at a hospital, **day-patient unit** or use a **scanning centre** that is not in our **Directory of Hospitals**, we will not pay for your **treatment**. We will only pay a small cash payment as shown in the Core Cover table when the **treatment** received would have been covered by your membership. You will need to pay the majority of the cost yourself. This could be a significant amount.'*

I'm satisfied this makes it clear that the £50 a night for in-patient treatment and £50 a day for day-patient treatment only applies when someone has *private* treatment at a place that is not on AXA's Directory of Hospitals.

Mrs T didn't have private treatment, she had NHS treatment. So this section of the cover doesn't apply to her claim. AXA has therefore correctly assessed the claim under the Extra Care Option.

My final decision

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 T to accept or reject my decision before 1 January 2024.

Chantelle Hurn-Ryan
Ombudsman