

The complaint

Mr M complains about the increase to his private medical insurance premium with AXA PPP Healthcare Limited.

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.

As our investigator has explained, the setting of premiums by an insurer is a matter of its commercial judgement. I won't generally interfere with this if I think that commercial judgement has been exercised legitimately.

AXA has confirmed that age and inflation affected the 2023 premium. However, the main factor that impacted the cost was the reduction of the no claims discount (NCD) for both Mr M and his partner.

The policy explains that in the event of a claim, the NCD is reduced by three levels. Mr M had been receiving a discount of 80%, but as he'd made a claim in the 2022-23 policy year, this reduced to 76%. His partner had been receiving a discount of 59.5%, but as she'd made a claim in the 2022-23 policy year, this reduced to 43%.

I sympathise that Mr M's partner is prevented from taking out a policy elsewhere, as she understandably wants to have cover for her condition. However, I haven't seen any evidence to suggest that AXA has treated Mr M unfairly when setting his premiums. Mr M could ask AXA if it would allow the policy to continue in his partner's sole name, so that he could try and find cheaper cover for himself elsewhere.

Mr M has made some wider points about AXA having the power to direct him to specialists that are 'fee-approved', as he thinks this decision is solely based on price rather than quality and reputation.

Like most private medical insurers, AXA has a list of specialists whose fees it is prepared to pay in full (up to the policy limits). I see nothing wrong with this. I understand the specialists agree to charge up to the levels set out within AXA's schedule of fees, but it's also the case that AXA has certain criteria that a medical practitioner must meet before they can be considered a specialist (for example, specialist training in an area of medicine). Mr M can request the full criteria from AXA if he wishes.

Whilst I can understand Mr M's frustration that the cost of the policy increased at the 2023 renewal, I'm satisfied that AXA didn't treat him unfairly. I therefore don't uphold this complaint.

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 Mr M to accept or reject my decision before 1 February 2024.

Chantelle Hurn-Ryan
Ombudsman