

The complaint

Ms S is unhappy about the customer service provided by AXA PPP Healthcare Limited when she made a claim under her private medical health insurance policy.

What happened

Ms S has a private medical insurance policy underwritten by AXA PPP. The policy provides benefit for private medical treatment and Ms S took out extended cover to provide extra cover for cancer treatment.

In 2022, Ms S saw a private consultant for a painful spot on her face – this consultation and investigations were authorised by AXA PPP. The condition was diagnosed as cancer meaning Ms S required further treatment.

In early 2023, Ms S contacted AXA PPP as she had received invoices that it said she needed to pay. The adviser explained to her that she didn't have any outpatient allowance left. But Ms S said that she had the extra cancer cover and so these invoices should be covered. The adviser told Ms S that the claim had been set up with a diagnosis of acne. Ms S said she found this insulting and felt that the advisor was rude and didn't believe her when she said she had cancer. She complained to AXA PPP.

AXA PPP noted that it had initially set up the claim with the wrong condition, however, it should have been picked up when authorisation was provided for the further treatment and the invoices showed that the diagnosis was cancer. It also noted that if this had happened, it wouldn't have sent the invoices to Ms S to pay as the extra cancer cover she has on the policy would have covered this cost. As recognition for the distress and inconvenience caused to Ms S, AXA PPP offered a sum of £250 as compensation. In relation to the adviser who Ms S spoke to, AXA PPP said it has listened to the calls Ms S had with its staff and didn't agree that the advisers were rude or unprofessional.

Unhappy with AXA PPP's response, Ms S brought her complaint to this service. Our investigator looked into the matter but didn't think AXA PPP needed to do anything more. She found that AXA PPP had incorrectly entered the condition Ms S was suffering from and said it had several opportunities to put this right but hadn't. And if the condition had been entered correctly, the correct benefit limit would have been applied and so the invoices wouldn't have been sent to Ms S. But she noted that AXA PPP rectified the error as soon as it was notified of it. She also listened to the calls Ms S had with AXA PPP and didn't think that the adviser had been rude or offensive. She didn't think that there had been any indication that the adviser didn't agree that Ms S had cancer. So, while she agreed that Ms S had been distressed by this situation, she felt that the sum of £250 offered as compensation was reasonable.

Ms S disagreed with the investigator's opinion. She said that she felt the advisers were adamant she had acne and refused to pay the bills. And she said that the sum of £250 was an insult. As no agreement could be reached, the matter 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.

It is important to point out that we're an informal dispute resolution service, set up as a free alternative to the courts for consumers. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue or point made in turn. This isn't intended as a discourtesy to Ms S. Rather it reflects the informal nature of our service, its remit and my role in it.

The relevant rules and industry guidelines say that insurers must handle claims fairly and shouldn't unreasonably reject a claim. And it's clear that in this case, AXA PPP acknowledges that it didn't handle Ms S's claim properly. The medical condition initially attributed to the claim was incorrect and this wasn't altered when further treatment was authorised, and payment made for invoices. If AXA PPP had noted this earlier, and amended the condition on the claim, Ms S wouldn't have received invoices to pay as these would have been covered by her extended cancer cover. I can appreciate that receiving these requests for payment would have been confusing for Ms S and caused her upset. So, I think it's appropriate for AXA PPP to pay compensation to recognise this.

I've thought about this carefully and, while I appreciate that this will likely be disappointing for Ms S, I think that AXA PPP has made a fair offer to settle this complaint. As soon as it was made aware of the error, AXA PPP made the changes to the system and also sent the unpaid invoices to be reassessed for payment. AXA PPP also recognised that Ms S was entitled to other cash benefits under the policy for which it arranged payment. So, while I appreciate it would have been upsetting for Ms S to be asked to make payments for invoices when she had the appropriate cover, I do think that AXA PPP's actions following it being notified of this error, would have minimised the inconvenience caused. I'm satisfied that the sum of £250 is fair and reasonable compensation for this situation.

Ms S has said that she feels the compensation of £250 is an insult. She has referred generally to finding AXA PPP's staff unhelpful, but she has specifically mentioned one call she had with an adviser, who I will refer to as 'G', who she felt was rude and told her she didn't have cancer. This is a very serious allegation of poor customer service and so I have listened to all of the calls Ms S had with AXA PPP on the day in question in early 2023. I'm aware that Ms S has also been sent these calls.

Having listened to the calls, I don't think that G was rude or unprofessional. In the call with G, Ms S is querying why she is being asked to pay invoices for treatment. Ms S explains that she had additional cancer cover. G then asks Ms S for the diagnosis as she has noted the claim has been set up with a diagnosis of acne. Ms S is clearly upset at hearing this, understandably so as her diagnosis was for a much more serious condition. But G didn't tell Ms S that she didn't have cancer, as Ms S has suggested. I'm persuaded that G remained professional throughout the conversation. I note Ms S terminated the call soon after hearing the incorrect condition had been placed on her claim, which meant G didn't have the opportunity to put things right. I've also listened to the recordings of calls with other advisers that Ms S had and again, I haven't found any indication of rudeness.

Taking everything into account, I'm satisfied that, while AXA PPP did make a mistake in recording the incorrect condition against Ms S's claim, it rectified this error quickly once it became known. And while I appreciate it was upsetting for Ms S to hear that the wrong diagnosis had been detailed on her claim, I cannot agree that AXA PPP's advisers were rude or unprofessional in their dealings with her. On that basis, I'm persuaded that the compensation of £250 is appropriate - I don't require AXA PPP to pay anything more.

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 Ms S to accept or reject my decision before 17 August 2023.

Jenny Giles
Ombudsman