

The complaint

Mr E and Mrs M are unhappy that Union Reiseversicherung AG (URV) declined a claim made of their travel insurance policy.

All references to URV includes its agents.

What happened

Mr E and Mrs M had the benefit of an annual multi-trip policy, underwritten by URV ('the policy').

Whilst abroad, on holiday, at the end of August 2020, Mr E required medical attention. He was experiencing severe stomach pain. He attended a public hospital close to where he and Mrs M were staying. He was then referred to a bigger local public hospital. He said he had to wait for many hours without being given any pain medication. He decided to leave the public hospital – and travel to a private hospital - after being told that he might need to wait many more hours for a scan.

Mr E and Mrs M then travelled to a nearby private hospital and he was advised that a non-vital organ needed to be surgically removed. He was then booked into a private hospital and the operation took place shortly thereafter.

Mr E and Mrs M spoke to a representative of URV on the way to the private hospital. They told URV's representative of Mr E's experiences in the public hospital. That's why Mr E was seeking medical treatment from a private hospital. URV's representative told Mr E and Mrs M that the policy doesn't cover medical costs incurred at a private facility. She advised them that they should pay for the treatment and then look to claim on the policy. However, there was no guarantee whether they'd successfully be able to reclaim any of the costs.

Mr E went ahead with the private treatment and he remained in the private hospital until 30 August 2020.

Mr E and Mrs M were due to return to the UK on 31 August 2020, but Mr E wasn't fit to fly due to his surgery. They ended up returning to the UK around 11 September 2020.

Prior to returning to the UK, URV had requested and received medical information from Mr E's GP about pre-existing medical conditions. URV was concerned that Mr E may not have correctly answered questions about his health prior to taking out the policy, potentially affecting cover under the policy.

Mr E and Mrs M booked and paid for the return flights back to the UK. And they made a claim on the policy for Mr E's medical costs together with the costs of the return flights and accommodation they'd paid for because of their holiday being extended because Mr E wasn't fit to fly.

URV declined the claim. It said that had Mr E answered questions correctly about his health prior to the policy being taken out, it wouldn't have offered the policy to them. URV did end up offering to reimburse Mr E and Mrs M the premium they'd paid for the policy in the sum of £198.63.

Unhappy, Mr E and Mrs M brought a complaint to our Service. Our investigator looked into what had happened. Based on what he'd seen – and the questions Mr E and Mrs M were asked prior to taking out the policy - he thought Mr E had answered the questions put to him correctly. URV subsequently agreed and said it would cover the costs of Mr E and Mrs M's extended accommodation and return flights. However, it said that it wouldn't cover Mr E's private medical costs.

Our investigator concluded that URV's revised position was fair and reasonable. He recommended that URV pay the costs of the extended accommodation and return flights together with 8% simple interest per year. He also recommended URV pay Mr E and Mrs M compensation in the sum of £200 to reflect the distress and inconvenience they experienced as a result of what URV got wrong here.

URV agreed with this recommendation. Mr E and Mrs M disagreed and raised points in reply. Their complaint has now been passed to me to consider everything afresh and 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.

I partially uphold Mr E and Mrs M's complaint.

At the outset, I want to make clear that I've only considered the circumstances of this particular complaint. I'm aware of another complaint which Mr E and Mrs M have brought to our Service about the support they received from URV's medical assistance team - the circumstances of which overlap somewhat to this complaint. However, I've focused on whether URV acted fairly and reasonably when declining their claim.

URV has an obligation to handle complaints fairly and promptly. And it mustn't unreasonably decline a claim.

URV initially declined the claim on the basis that had Mr E correctly answered questions about his health before the policy was taken out, it wouldn't have offered the policy to Mr E and Mrs M. On that basis, it effectively treated the policy as void and so it didn't meet the claim.

However, URV has more recently accepted that Mr E answered the questions correctly and that it shouldn't have declined the entirety of the claim.

URV has now said that it will cover the extended accommodation costs totalling just under 1,600 euros and return flights in the region of 337 euros. However, it has declined to pay private medical costs in the region of 9,750 euros. And I don't think it's acted unfairly or reasonably by doing so. I'll explain why.

Subject to the remaining terms and conditions, the policy does provide cover for emergency medical attention abroad. This extends to:

“customary and reasonable fees or charges for necessary and emergency medical treatment”

And:

“additional travel, accommodation and repatriation costs to be made for, or by, you and for any one other person who is required for medical reasons to stay with you, to travel to you from your home country or to travel with you, where it is deemed medically necessary”

But the policy also says cover is only provided if:

“you are not claiming for costs of private treatment unless our 24-hour Emergency Assistance Facilities service has agreed, and adequate public facilities are not available”.

The policy also says on page 2 under the section entitled: “in case of a serious emergency” in bold:

“Your policy covers treatment at a public/state facility only, unless approved by us”.

I don't think URV has unfairly or unreasonably relied on the terms of the policy in this particular case to decline paying Mr E's medical costs, as claimed.

Mr E and Mrs M spoke with URV before Mr E underwent surgery. I've listened to the recording of the call they had with URV's representative on the way to the private hospital. URV's representative didn't agree to private treatment. To the contrary, she said the policy doesn't cover private treatment and although Mr E and Mrs M could 'pay and claim' under the policy for treatment, there were no guarantees that the costs would be covered.

So, Mr E and Mrs M were – at the very least - aware that medical costs charged by the private hospital may not be covered but still opted to have the surgery at the private hospital.

Further, although Mr E says he was waiting for a number of hours at the public hospital – and was told that he would have to wait for a number of hours more for a scan – I don't think this meant that adequate public facilities weren't available. Whilst I appreciate that patients may have to wait longer for scans or to be seen by a medical professional at a public hospital, a duty of care is owed to the patient. And I don't think the timescale given was an unreasonable one given the symptoms Mr E was experiencing.

If Mr E did require emergency surgery to remove a non-vital organ, I'm not persuaded that if he'd waited at the public hospital – rather than choosing to go to the private hospital – the public hospital wouldn't have been able to arrange emergency surgery for him based on the evidence I've been provided with.

I do appreciate that Mr E and Mrs M would've been made to worry unnecessarily by being told by URV prior to their return to the UK that it was concerned that Mr E may not have answered questions about his health correctly before taking out the policy. And that this may affect any claim under the policy. As it transpires, URV accepts that Mr E had answered the questions correctly and it has agreed to settle part Mr E and Mrs M's claim.

Mr E and Mrs M were made aware on 28 August 2020 – before the surgery took place – that the policy didn't cover private medical costs. But to be incorrectly made aware that the policy might not also cover the costs of the extended accommodation and return flights, I'm

satisfied caused Mr E and Mrs M unnecessary distress towards the end of their unplanned extended holiday. I also think they would've felt somewhat frustrated by what they were being told by URV as Mrs M was sure that she answered all questions correctly before taking out the policy (something which URV now accepts). I'm also satisfied that Mr E and Mrs M were put to the unnecessary inconvenience of having to book their flights home themselves.

Putting things right

I direct URV to pay Mr E and Mrs M:

- A. the additional accommodation and flight costs claimed for (URV has recently confirmed to our Service that it will waive the applicable policy excess as a gesture of goodwill);
- B. simple interest on the amounts set out in A. above at a rate of 8% per year from the date it first declined the claim to the date the claim is paid; and
- C. compensation in the sum of £200 for distress and inconvenience.

My final decision

I partially uphold Mr E and Mrs M's complaint and direct Union Reiseversicherung AG to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Mrs M to accept or reject my decision before 16 March 2022.

David Curtis-Johnson
Ombudsman