

The complaint

Mr T complains about the advice and level of assistance provided to him by Union Reiseversicherung AG ('URV') under his travel insurance policy when he experienced a medical emergency abroad.

All references to URV include the agents it has appointed to handle claims on its behalf.

What happened

Mr T held a 'Backpacker & Longstay' travel insurance policy, provided by URV.

Unfortunately, Mr T was injured in an accident abroad. He was taken to hospital, where he was diagnosed with a fracture. He was advised to have a follow up appointment with a consultant in one week to ten days' time, and physiotherapy.

Mr T sent URV an email about his accident while he was at the hospital. The following month, 19 days after his accident, URV authorised Mr T to see a consultant. By this time, a physiotherapy appointment abroad for Mr T had already been cancelled. And, as Mr T had asked about returning to the UK for treatment because his follow-up treatment abroad hadn't been authorised, URV said he could return to the UK at his own cost to have the treatment there.

Mr T arranged and paid for a flight back to the UK, where he underwent surgery and physiotherapy. He resumed his trip approximately two months later, on flights arranged and paid for by URV.

Mr T complained to URV. URV reimbursed Mr T the money he'd paid for his medical expenses abroad, as well as for his return flight and transfers to the UK. URV acknowledged that there had been a delay in communicating with Mr T, and that it hadn't provided clear information or support to him. So, URV offered to pay Mr T £750 compensation as an apology for the service it had provided.

As Mr T remained unhappy, he brought his complaint to the attention of our service.

One of our investigators looked into what had happened and said he thought URV's offer of compensation was fair and reasonable in the circumstances. Mr T didn't agree with our investigator's opinion, so the complaint was referred to me. I made my provisional decision about Mr T's complaint in January 2022. In it, I said:

'As I understand it, Mr T has now been reimbursed for the medical expenses he incurred abroad following the accident, as well as for his flight and transfers back to the UK. And, URV has told us that subsequent medical bills incurred by Mr T after he resumed his trip have also been settled. Therefore, the issue which remains for me to decide is what level of compensation I think is appropriate for the impact of URV's actions on Mr T in this case.'

Longstanding industry rules set out by the regulator (the Financial Conduct Authority) say

that insurers must handle claims promptly and fairly and provide reasonable guidance to help a policyholder make a claim, and provide appropriate information on its progress. Further regulatory guidance says that firms should pay due regard to the interests of their customers and treat them fairly.

I've taken these rules and guidance into account when deciding what I think is fair and reasonable in the circumstances of Mr T's case. I've also taken into account the terms and conditions of Mr T's insurance policy with URV, which set out URV's obligations to him in the event of a medical emergency abroad.

Mr T's policy says URV will pay for 'customary and reasonable fees or charges for necessary and emergency treatment to be paid for outside your home country for medical, surgical, hospital nursing home or nursing services'.

It's not in dispute that Mr T's further appointments with a consultant and with a physiotherapist were medically necessary. So, what I think should have happened in this case was that URV should have authorised this treatment within a reasonable period of time after Mr T was seen in hospital abroad, so he could have had his follow-up treatment abroad – thereby continuing with his trip.

Mr T's accident occurred on the 18th of the month. But, according to URV's notes, it didn't receive the documents it needed from Mr T to properly assess the claim until the 28th of the month. So, I'm satisfied that this initial 10-day delay was outside of URV's control.

However, when URV did receive the information it needed, it didn't review this until four days later. At that point, URV noted on Mr T's claims file that the follow-up treatment that had been recommended abroad was medically appropriate. But the earliest confirmation I've seen from URV to Mr T that this treatment was covered under his policy was a further five days later – a total of nine days after URV had received the necessary documentation from Mr T.

I think this nine-day delay by URV was unreasonable and excessive in the circumstances. I also note that URV didn't communicate with Mr T as I'd have expected it to in between his attendance at hospital and the treatment authorisation being communicated to him, with Mr T and one of his family members having to repeatedly chase URV for updates.

In the days that followed, Mr T was given what I think was incorrect information by URV about his entitlements under his policy. URV outlined Mr T's options as being to either continue with non-urgent treatment abroad (with URV incorrectly saying this wouldn't be covered by his insurance) or to return to the UK at his own cost for NHS treatment.

At the time of outlining these options to Mr T, URV had already noted and communicated to Mr T that his further treatment had been authorised under the policy as medically necessary. So, what I think URV should have told Mr T was that he could remain abroad and have the treatment he needed there, and that this treatment would be covered under his insurance policy.

Instead, because of a combination of URV's delays and the incorrect information he'd been provided with, Mr T took matters into his own hands and arranged and paid for a return flight back to the UK in order to have treatment there. I think this was an understandable and reasonable course of action for Mr T to take in the circumstances, and I'm satisfied he wouldn't have incurred either the initial cost or the inconvenience of interrupting his trip were it not for URV's actions in this case.

URV has suggested that some of the confusion surrounding Mr T's policy coverage was

caused by queries around extending the 'return home' allowance of 21 days. However, if URV had confirmed Mr T's entitlement to treatment abroad (thereby allowing him to remain abroad), as I think it should have done, then any such confusion would have been avoided.

So, overall, I don't think URV provided Mr T with a reasonable level of assistance and/or support during his claim, in a situation where Mr T was injured – and understandably concerned about his policy coverage - abroad. URV didn't communicate with Mr T about his claim in the way I'd have expected it to and, as a result of returning to the UK unnecessarily, Mr T lost around two months of his trip. I'm satisfied that these issues caused Mr T a considerable level of distress, inconvenience and frustration and I don't think the £750 which URV has offered fairly compensates Mr T for this.

I understand Mr T feels it would have cost URV more money if it had paid for his follow-up treatment abroad. But URV's potential cost exposure if it had handled Mr T's claim differently isn't something I can take into account when making an award of compensation. And, I have no power to make a punitive award against URV. Instead, I can only make an award for what I think the impact of URV's actions were on Mr T.

URV subsequently reimbursed Mr T for the cost of his transfers and flight back to the UK (and paid for his flight to return abroad) – but Mr T had to go to the unnecessary trouble and initial expense of arranging the flights back to the UK himself. I understand Mr T continued to pay rent abroad during the time he was back in the UK and, while Mr T would always had to have paid this rent abroad, I've taken into account the fact that he was obtaining no benefit from this during the time he was in the UK. Mr T has also told us he had to pay rent in the UK for the two months during which he unnecessarily returned – an expense he wouldn't otherwise have incurred were it not for URV's actions.

I've taken all of these factors, as well as the inconvenience and distress caused by the interruption to Mr T's trip, into account when deciding what level of compensation I think is fair and reasonable in the circumstances of this case.

Overall, having had regard to our published guidance on the payment of compensation for distress and inconvenience, I think a total award of £2,000 would be fair and reasonable compensation in the circumstances.'

URV responded to my provisional decision and said it didn't agree that the circumstances of Mr T's case warranted an award of £2,000 compensation. URV referred to guidance published on our website outlining examples of situations where awards of compensation at this level might be appropriate and said this incident hadn't impacted Mr T's life for a sustained period of time. However, URV said it agreed the incident had affected Mr T and increased its offer of compensation from £750 to £1,500.

Mr T said he didn't wish to accept URV's increased offer. In response to my provisional decision, Mr T sent us emails from URV dated April 2020 which, he said, demonstrated that URV tried to force him to return from his trip due to the Covid-19 pandemic.

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've taken into account what URV has said about the level of compensation awarded in my provisional decision. However, I specifically stated that this award didn't just include the inconvenience and distress experienced by Mr T. It also takes into account certain elements of financial loss, which I thought it was most appropriate to compensate Mr T for within the

overall award. These losses are the money which Mr T continued to pay for rent abroad which he derived no benefit from, and the additional rent which he paid in the UK during the two months he unnecessarily returned.

The emails which Mr T sent in response to my provisional decision don't have any relevance to the outcome of this complaint, which is about the events that took place in 2019 following Mr T's medical emergency only. If Mr T is unhappy about what happened in April 2020, he'd need to complain directly to URV in the first instance before this service would have the power to look into the matter.

Overall, I remain satisfied that a total award of £2,000 compensation is fair and reasonable in the circumstances.

Putting things right

URV must pay Mr T a total of £2,000 compensation for the distress and inconvenience he experienced. This includes the offers that have already been made.

URV must pay this compensation within 28 days of the date on which we tell it Mr T accepts this final decision, and if it pays later than this it must also pay interest on the compensation from the date of this final decision to the date of payment at 8% a year simple.

My final decision

My final decision is that I uphold Mr T's complaint and I direct Union Reiseversicherung AG to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 17 March 2022.

Leah Nagle
Ombudsman