

The complaint

Mr and Mrs B have complained about the way Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. ('Mapfre') dealt with their travel insurance claim.

What happened

Mr and Mrs B had a travel insurance policy which covered them and their two children, underwritten by Mapfre. They went abroad on holiday in August 2018 but became unwell after eating out at a restaurant. The whole family needed medical attention. A few days later, Mr B had a fall in the hotel and had to attend hospital. Mapfre asked Mr B and his family to arrange stool samples and whilst it was waiting for the results of these samples, it refused to provide any further cover for Mr B when he attended hospital following his fall.

As Mr B and his family were due to check out, Mr B asked Mapfre about extending their accommodation as they weren't fit to fly. Mapfre had arranged accommodation but hadn't booked the correct room – it had booked rooms suitable for infants. But Mr and Mrs B's children were not infants. So Mr B had to pay extra to get appropriate accommodation.

After Mr B's fall, Mapfre refused to provide any further assistance or accommodation and so Mr B and his family spent a night in the emergency department of the hospital and were then left abandoned.

Mr B arranged accommodation himself and when he ran out of money, he used loyalty points for an additional four nights. He had to ask friends to pay for his return flights.

On their return to the UK, Mr and Mrs B made a claim and complained that Mapfre hadn't helped them when they were forced to extend their trip and failed to organise their return flights. In addition, Mr B says Mapfre advised him to contact the British embassy for help although his wife wasn't British.

Unhappy, Mr and Mrs B referred their complaint to this service.

Our investigator looked into the complaint and found that Mapfre had delayed in dealing with the claim and had unfairly declined aspects of the claim. So she recommended that Mapfre pay a total of £650 compensation for delays and distress and inconvenience as well as the costs of room only accommodation in line with the policy terms, plus 8% simple interest. Mapfre agreed to pay the claim in 2021 plus interest as well as the £650 compensation.

Mr and Mrs B didn't agree with the sums Mapfre paid for their total claim and, in summary, said Mapfre should pay more compensation for the distress and inconvenience they suffered as well as higher costs for the accommodation as they were forced to pay using loyalty points which had been accumulated over a number of years.

And so the case 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.

I issued my provisional decision on 11 March 2022 which I have set out in full below. I thank both sides for responding. Mapfre has agreed to my provisional decision but Mr B has not.

Before I respond to Mr B's concerns, I will set out my provisional decision in full again. My decision focuses on what I consider to be key, as our rules allow me to do. I've considered everything on file even if I don't explicitly refer to it.

My provisional decision

I agree that this complaint should be upheld and largely for the same reasons as already explained by the investigator. But I think the compensation payment for distress and inconvenience should be increased to a total of £1,500. I'll explain why.

The relevant industry rules say an insurer must handle claims promptly and fairly and shouldn't unreasonably reject a claim.

The policy terms say:

"We will pay up to the amount shown in the table of benefits on page 4 for any costs that are reasonable and necessary (see definition on page 14) as a result of you being unexpectedly injured or ill during your trip...Extra accommodation (a room only) and travel expenses to allow you to return to your home area...if you cannot continue on your trip as planned or return as you had originally booked..."

Under the general exclusions section, the policy excludes cover for the following:

"Costs of phone calls or faxes, meals, taxi fares (except for taxi costs paid for the initial journey to and from a hospital abroad due to an insured person's illness or injury... holiday property bonds or points and any extra travel or accommodation costs (unless we authorised these or they are part of a valid claim under section A, section B or section C)."

The facts of what happened aren't in dispute here so I won't repeat the detail that the investigator has set out in her view. Instead, I will summarise the key facts and explain why I think Mapfre has calculated accommodation costs fairly.

Mapfre has paid all the other claim costs plus simple interest. But Mr B isn't happy about the sums Mapfre has paid for the additional accommodation. The policy allows for additional accommodation at a room only rate to be paid. Mr B booked his accommodation using loyalty points. And as he has lost the use of those points I think it's fair for Mapfre to pay accommodation costs to recognise that Mr B had to use his points because Mapfre failed to assist him.

Mr B said Mapfre had paid him £660 for five nights which equates to £132 per night or £33 per person per night. Mr B says Mapfre should pay the costs of the all-inclusive hotel of the same standard he was originally in, as well as the additional nights he spent in alternative accommodation. But I have to consider what is fair and reasonable in all the circumstances. And I don't think it is fair or reasonable for Mapfre to pay all-inclusive costs when the policy only allows for room only rates. Mapfre has explained that it instructed an agent and researched room only rates in the area Mr B and his family stayed in. As the hotel Mr B stayed in didn't provide room only rates, it thought this was the fairest way of calculating the room rates. And I agree.

Mapfre has also said that if Mr B is able to provide evidence from the hotel he stayed at of what the room only rate would have been for his booking, on headed paper, then it will consider this further. I think this is fair. And so I won't be asking Mapfre to pay anything additional for the accommodation costs.

Having considered all of the evidence as a whole, I think the following actions caused Mr B and his family significant distress and inconvenience:

- Mapfre said it was waiting for results of their stool samples before dealing with the claim any further. I don't think it was fair for Mapfre to refuse to deal with the claim any further. Once the samples had been submitted, there was little else Mr B and his family could do so Mapfre should have continued to assist, especially when Mr B needed medical attention after his fall.
- Mr and Mrs B were left on the streets without any accommodation and didn't have money to pay for additional accommodation. Mapfre were aware Mr and Mrs B were travelling with their children, one of whom was only seven years old. This would have caused further distress at an already stressful time.
- Mr and Mrs B asked for help from friends to arrange accommodation and return flights. This caused inconvenience and embarrassment.
- Mapfre refused to authorise treatment Mr B needed as a result of his fall. But this was unrelated to his stomach problems and so I don't think the refusal to authorise this treatment was fair or reasonable. And Mr B would have been worried about not receiving treatment and the implications of Mapfre refusing to help.
- Mr B and his family spent a night at the hospital. They then were left abandoned with no accommodation at all until they were able to make arrangements to stay at a friend's holiday let for two days.
- After this, they used 30,000 loyalty points to stay at a hotel for four nights.
- Mapfre refused to arrange return flights so Mr B had to arrange these himself. He was told to contact the British embassy if he didn't have the funds. But as Mrs B's wife wasn't British, this caused him additional stress.
- On his return to the UK, Mr B made a claim but Mapfre took more than two years to settle the claim. Mr B submitted the claim in 2018 but didn't receive payment until 2021 and provided information to Mapfre on numerous occasions. There were occasions where Mapfre was waiting for Mr B to respond but overall, Mapfre delayed in dealing with the settlement of the claim as set out by the investigator in her view.

Taking all of the above into account, I don't think £650 is sufficient. I think a total amount of £1,500 compensation for Mr B and his family is more appropriate. I think the delay in dealing with the claim exacerbated the distress and inconvenience felt by Mr and Mrs B. And Mapfre's failure to assist Mr B and his family whilst they were effectively stranded abroad caused a significant amount of distress to each of the family members. Having said that, I'm pleased that Mr B was able to arrange both accommodation and return flights and so he was able to mitigate his distress. But the ongoing claim problems and not getting responses from Mapfre within a reasonable time meant Mr B went through additional, unnecessary stress.

Mr B's response to my provisional decision

In summary, Mr B has made the following comments:

- He doesn't think all the information he passed to the investigator has been passed to me.

I can confirm that everything Mr B has emailed in has automatically been attached to the case and reviewed by me.

- Several parts of my provisional decision are factually incorrect.

Where Mr B has provided details, I have responded below.

- In my provisional decision, I said there were occasions where Mapfre were waiting for Mr B to respond but he says this is incorrect. He said the delays were at our end and with our service.

When Mapfre asked Mr B to send evidence of his additional costs, there were occasions where he said he had misplaced some documents and would find them such as invoices for the hotels. In any event, I've explained that I did think Mapfre's delays were significant and unreasonable and have awarded what I consider to be appropriate compensation. In relation to delays at our end, I've seen Mr B has received a service complaint response from us about delays. That is separate to my decision about Mapfre and so I won't comment any further.

- Mr B wasn't asking for Mapfre to cover the costs of an all-inclusive hotel as set out in my provisional decision. He thinks the room only basis should be considered based on other hotels in the area.
- Mr B has provided the price of the room only including the website page. He doesn't think this has been passed to me.
- He used loyalty points for which he had to spend about £30,000 to accumulate that many points and this hasn't been considered.

Mr B did suggest that Mapfre should cover the cost of an all-inclusive hotel in his email to this service dated 11 October 2021. I can confirm I've reviewed the information Mr B provided about the price of a room for the hotel he stayed at. But Mapfre has confirmed that it will only consider specific confirmation from the hotel for the dates that Mr B stayed, on headed paper, for it to consider this any further. And I think that is reasonable.

The information and costs Mr B has provided are for later years and I don't agree reducing the cost by a percentage will provide an accurate room rate for the time Mr B was on holiday. The policy allows for the cost of a room where points have been used. The costs associated with accumulating points aren't covered. But I've factored this in to the compensation award for distress and inconvenience. So I can't ask Mapfre to pay anything further to take into account that he spent £30,000 to accumulate those points.

- My provisional decision doesn't mention that there was a state of emergency. The police and army were shooting in the street and the family was there with their luggage. My decision makes it sound as though they were just walking around like it was a regular holiday.

I've considered and accepted that Mr B and his family were effectively stranded abroad. The area was in a state of emergency for a number of months and the Foreign, Commonwealth

and Development Office's advice was to exercise caution when in the area. I haven't seen any evidence that Mr B and his family were directly affected by any demonstrations. I accept that a state of emergency had been declared and was ongoing but there's no evidence of any direct impact from the state emergency on Mr B or his family. If there had been a direct impact, I would have expected Mr B to have sent details before now.

- As my provisional decision doesn't mention all of Mr B's points, Mr B doesn't think I've taken everything into consideration.
- Mr B referred to an email dated 11 October 2021 he had sent in and would like to draw my attention to this email.

The email of 11 October 2021 is the email in which Mr B says Mapfre should pay all-inclusive rates. I can confirm this email was on file and was read and fully considered along with everything else before reaching my provisional decision.

Having considered all of the above, I don't see any reason to depart from my provisional findings, which I adopt as my final decision.

My final decision

For the reasons set out above, I uphold this complaint and direct Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. to pay:

- A total of £1,500 compensation for the significant distress and inconvenience caused to Mr B and his family. Mapfre should deduct the £650 compensation already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B, Mrs B and Mr B to accept or reject my decision before 17 May 2022.

Shamaila Hussain
Ombudsman