

The complaint

Mr and Mrs F have complained that ERGO Reiseversicherung AG ('ERGO') unfairly assessed their claim for medical costs.

All references to ERGO include any agents acting on its behalf.

What happened

Mr and Mrs F bought an annual multi trip insurance policy, underwritten by ERGO. Whilst abroad, Mrs F was taken to a private hospital by ambulance on 9 February 2020 and was admitted for treatment.

Mr F called ERGO on 10 and 11 February 2020 to inform it that Mrs F had been admitted to hospital with pneumonia.

Mrs F was discharged on 16 February 2020. She submitted a claim to ERGO for a total of just over 8,000 Euros. ERGO settled the claim but only covered costs for the first 24 hours of Mrs F's admission. It said treatment in private hospitals wasn't covered and Mrs F hadn't contacted the emergency assistance team to tell it about her hospitalisation. Had she done so, they would have informed her that she needed to be transferred to a public hospital.

Mr and Mrs F said when they contacted ERGO, they weren't told they had to be moved. And ERGO also called and spoke to Mrs F twice via the hospital switchboard whilst she was in hospital. Mr and Mrs F said they weren't informed at any point during their conversations with ERGO that Mrs F would need to be transferred to a public hospital.

Mr and Mrs F complained to ERGO. Although it apologised because its adviser didn't give correct information or transfer Mr and Mrs F to the emergency assistance department, it only paid for the first 24 hours of treatment. It said Mr F had called the incorrect number and should have called the emergency assistance number. Unhappy with this, Mr and Mrs F referred their complaint to this Service.

Our investigator looked into the complaint and found that ERGO didn't act reasonably as it failed to provide correct information or advice. And so she said it should pay Mr and Mrs F's claim, with interest.

ERGO disagreed as treatment in private hospitals isn't covered under the policy. And it said it has no record that Mr F called the correct number.

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.

Having done so, I agree that this complaint should be upheld. And largely for the same reasons as already explained by our investigator.

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

The policy documents set out a list of useful telephone numbers for the customer services team and for 24-hour medical emergency support.

On 10 February 2020 Mr F called 01403 288 410 which is the number for all claims.

On 11 February 2020 Mr F called 01604 210 845 which is the number for the customer services team if calling from outside the UK.

The policy says: *"If you have any questions about the cover provided please call our Customer Services Team..."*

Mr F called the customer services department and I've listened to this call. He said he didn't know what the process was to inform ERGO about Mrs F's hospitalisation. He told the adviser the name of the hospital Mrs F was in and when she was admitted.

The adviser didn't tell Mr F to call the medical assistance number. And didn't refer to the policy terms relating to Mrs F's admission in a private hospital. I would expect ERGO's customer services agent to be able to provide accurate information and clear guidance if a customer calls to log a claim and inform it of a hospital admission. In addition, the adviser failed to give Mr F the number for the emergency assistance team and so as far as he was concerned, ERGO had been made aware of Mrs F's hospitalisation.

Mr and Mrs F weren't advised that Mrs F needed to be moved to a public hospital at any point. Had ERGO's agent advised them of this, I can't see any reason why Mr and Mrs F wouldn't have followed that advice. And so Mrs F wouldn't have incurred the costs in the private hospital. In addition, Mrs F says ERGO called her via the hospital switchboard twice to ask when she would be discharged. This was another opportunity for ERGO to provide advice and guidance for Mrs F to move to a public hospital.

ERGO said had their emergency assistance number been called and informed, a file would have been opened and this would have been followed up with an email. As the customer services team were in possession of Mrs F's admission, it should have passed this information to the emergency assistance department.

In its response to the complaint, ERGO accepts that its adviser should have transferred the call to the emergency helpline or provided Mr F with the correct number. There is also an internal email from the underwriting department which confirms that Mrs F is in hospital abroad and should call the emergency helpline. I haven't seen any evidence that the adviser acted on this or passed this information on to Mr and Mrs F. The adviser could have called Mr or Mrs F at this point or referred directly to the emergency assistance team for them to make contact with Mr and Mrs F. This didn't happen and so Mr and Mrs F weren't aware of what they had to do.

I don't think ERGO has acted fairly by limiting the claim to the first 24 hours as it failed to give appropriate advice and guidance when it spoke to both Mr and Mrs F on a number of occasions during Mrs F's hospitalisation.

ERGO says had they called the emergency assistance number, they would have been advised that they had no cover for private treatment and would have advised them to move to a public hospital. For this reason, it has limited payment of costs to the first 24 hours only.

But I don't think ERGO did enough to help Mr and Mrs F when they called. Had they been given proper information, I think it's more likely than not that Mr and Mrs F would have followed advice. Their claim would have been covered and they wouldn't have incurred the costs that they did at the private hospital. I'm satisfied that Mr and Mrs F contacted ERGO and provided all the relevant information for it to act on. And so, I think the fair and reasonable outcome is for ERGO to accept and pay Mr and Mrs F's claim.

My final decision

For the reasons set out above, I uphold this complaint and direct ERGO Reiseversicherung AG to pay Mr and Mrs F's claim. It should also pay 8% simple interest from the date the claim was partially settled to the date payment is made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 24 August 2022.

Shamaila Hussain
Ombudsman