

The complaint

Mr R complains about the way AXA Insurance UK Plc handled a claim he made on a travel insurance policy.

What happened

Mr R has travel insurance as a benefit of a packaged bank account.

Mr R was due to attend a concert. However, after it was cancelled, Mr R wanted to make a claim on his travel insurance policy. So he tried to get in touch with AXA's claims team. However, Mr R was kept on hold, without being able to get through. And when he made a complaint about the service he'd received, AXA delayed sending him a response. Mr R was very unhappy with the way AXA had treated him and so he asked us to look into his complaint.

AXA got in touch with us to offer Mr R £150 compensation for the service he'd received. It said it intended to set-up Mr R's claim as a priority. A few weeks later, AXA looked into Mr R's claim and turned it down. That's because it said the circumstances weren't covered.

Mr R decided to accept AXA's offer of compensation and our complaint was closed by one of our investigators. But Mr R didn't receive the settlement within four weeks of accepting it. He remained unhappy with the service he'd received from AXA. He said he'd only accepted the offer on the understanding that he wouldn't have to chase-up AXA again, or experience any further delays. So he wanted us to revisit the compensation he'd been paid.

AXA let us know that it'd raised the compensation payment request on 24 June 2022.

Our investigator felt that AXA's compensation award had been fair and reasonable, so he didn't think it needed to do anything more.

Mr R disagreed and so the complaint's been passed to me to decide. It's important I explain that this decision will only consider whether AXA has paid fair compensation for the poor service Mr R received when he tried to make a claim. I won't be considering whether it was fair for AXA to turn down the claim, as it isn't clear that AXA has had a chance to look into that particular point. I'm aware that Mr R was also unhappy with the actions of his bank. A complaint about that issue has been dealt with separately by this service.

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, whilst I think don't think AXA handled this claim as well as it should have done, I find the settlement it's already paid Mr R is fair compensation to reflect its poor service. I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. AXA accepts that it didn't handle Mr R's claim as promptly and fairly as it ought to have done. Mr

R says he spent hours on hold to the claims team waiting to make a claim and when he complained about the delays he'd experienced; AXA didn't respond to his complaint in a timely way. I don't doubt how frustrating this must've been for Mr R. So I was pleased to see that AXA acknowledged its service failings here and offered Mr R £150 compensation.

Mr R accepted AXA's settlement offer and so he entered into a contract with it to conclude his complaint. I appreciate Mr R says he did so on the understanding that this matter wouldn't take any more effort on his part and that he wouldn't experience any further delays.

In my view, AXA's overall compensation award was fair and reasonable to put things right. I think it was a fair settlement to reflect the material inconvenience Mr R is likely to have experienced in trying and failing to get in touch with AXA over a period of some time. Mr R accepted the compensation award of £150 on 17 May 2022. I appreciate that AXA didn't pay the settlement within four weeks – which would've been 14 June 2022. So I understand it must've been very frustrating for Mr R when he had to get in touch with us again to let us know the payment hadn't been received. But AXA confirmed it'd raised the payment on 24 June 2022 – broadly 10 days after the four-week period was up. And it said the payment would clear in around a week.

It seems to me that while Mr R was put to some further inconvenience in having to chase-up the payment, the settlement was delayed by around two to two and half weeks. And I don't think the additional delay Mr R experienced during this time was likely to have caused him material distress and inconvenience which would warrant me directing AXA to pay him anything more. I say that because once Mr R let us know that he hadn't received the payment, AXA confirmed within a few days that it had been requested and would be in Mr R's account within around a week. And I don't think the impact of being without the money caused Mr R material financial loss. So I find that AXA's payment of £150 compensation was fair and reasonable to reflect the trouble and upset I think its handling of Mr R's claim likely caused him.

My final decision

AXA accepts that it provided Mr R with poor service and it was appropriate for it to accordingly compensate Mr R. And for the reasons I've given above, my final decision is that the £150 compensation AXA has now paid Mr R is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 October 2022.

Lisa Barham
Ombudsman