

The complaint

Mrs H complains about delay in AWP P&C SA's handling of her claim against her travel insurance policy. Reference to AWP includes its agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, Mrs H has travel insurance underwritten by AWP as a benefit of a bank account.

Mrs H planned a trip to visit her daughter. Her original departure and return dates were 12 May 2022 and 23 May 2022 respectively. On 15 May 2022, whilst on her trip, Mrs H had a heart attack. She was taken by ambulance to the local hospital, but it didn't have a cardiology unit so was taken by air ambulance to a hospital in a nearby city for treatment. Her daughter travelled to the treating hospital to support Mrs H.

On 16 May 2022, Mrs H first contacted AWP about her claim. On the same day, she had a medical procedure and on 17 May 2022, she was discharged by the hospital. Mrs H stayed in accommodation with her daughter near the hospital until she was declared fit to fly.

Mrs H changed her return flights and returned home on 26 May 2022. She pursued her claim with AWP.

The treating hospital sent Mrs H invoices for payment and a final warning about overdue invoices. AWP didn't respond to Mrs H's requests for information, so she pursued her complaint.

In response to Mrs H's complaint, in August 2022, AWP told Mrs H that its medical team was handling her claim and she should pass on letters from the treating hospital or dispose of repeat letters. AWP subsequently made a payment into Mrs H's bank account but didn't explain which elements of her claim it had settled.

Mrs H says that AWP didn't keep her informed about her claim or appear to progress it. She says that she made lots of phone calls to AWP and it didn't return her calls, as promised. Mrs H continued to receive bills from the treating hospital, which was worrying. She wants AWP to deal with her claim, an apology, and an explanation.

One of our investigators looked at what had happened. He asked AWP for certain information, but AWP didn't respond. So, the investigator proceeded on the basis of the information Mrs H provided.

The investigator recommended that the complaint be upheld. He said that based on the information he had, there appeared to be a valid claim against the policy. The investigator said that AWP should settle Mrs H's claim with interest and pay compensation of £200 in relation to her distress and inconvenience caused by its delay in settling her claim.

Mrs H agreed with the investigator. AWP didn't provide this service with a response. As there was no agreement between the parties, the complaint was passed to me to decide.

In November 2022, after the investigator has sent his investigation outcome to the parties, AWP belatedly sent Mrs H its final response to her complaint. It apologised and said that there'd been an excessive delay in the settlement of Mrs H's claim, which had now been escalated for approval. It said that it would send Mrs H a decision letter about her claim as soon as possible and arrange a settlement. AWP offered Mrs H compensation of £40 as a gesture of goodwill.

In December 2022, Mrs H learned that AWP had paid \$92,323.47 to the treating hospital, leaving a balance of \$1,113.30 due. Mrs H hasn't received an explanation from AWP in relation to the part payment of the treating hospital's invoices or of its payment to her.

This decision deals with Mrs H's complaint about AWP's delays in dealing with her claim. It doesn't deal with the amounts AWP has paid, as that wasn't part of Mrs H's original complaint – quite understandably - as AWP hadn't made any payments when Mrs H first complained.

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.

The relevant rules and industry guidance say that AWP has a responsibility to handle claims promptly and fairly. I'm upholding Mrs H's complaint because I don't think that AWP treated her fairly or reasonably. I say that because:

- The policy provides cover for emergency medical and certain associated expenses, subject to the policy terms. It's common ground that Mrs H didn't receive the service she could reasonably expect from AWP at an already worrying time. AWP has referred to excessive delay in dealing with Mrs H's claim. That caused Mrs H distress and inconvenience.
- The remaining matter for me to decide is what AWP should do to put matters right. It has now settled most of the treating hospital's outstanding invoices, which leaves a balance outstanding of \$1,113.30. It's not clear to me or Mrs H the basis on which AWP paid what it did to the treating hospital. And Mrs H says AWP has paid her £4,846.75 but she doesn't know which elements of her claim that relates to.
- In order to put matters right, AWP should provide Mrs H with an itemised account of what it has paid to date to both the treating hospital and directly to Mrs H, its reasons for declining any part of Mrs H's claim and copies of any relevant exchanges with the treating hospital about the outstanding balance of \$1,113.30.
- If Mrs H is unhappy about AWP's decisions about elements of her claim, she should complain to AWP about that in the first instance. If she remains dissatisfied about that, she may make a new complaint to this service.
- As there's been undue delay in dealing with Mrs H's claim, AWP should also pay interest on the settlement paid to Mrs H, from the date of her claim to the date of payment.

- I think that the compensation of £200 in relation to Mrs H's distress and inconvenience caused by AWP's delays is fair and reasonable.
- In its final response letter of 28 November 2022, AWP apologised to Mrs H and explained the reason for the delay. I don't direct AWP to do any more in relation to an apology and explanation.

Putting things right

In order to put things right, AWP should:

- provide Mrs H with an itemised account of what it has paid to date to her and the treating hospital, its reasons for declining any part of her claim and copies of any relevant exchanges with the treating hospital about the outstanding balance of \$1,113.30;
- pay interest on the amounts it has paid directly to Mrs H, at the simple rate of 8% per year, from the date of the claim to the date of payment and
- pay compensation of £200 in relation to Mrs H's distress and inconvenience arising out of its delay.

My final decision

My final decision is that I uphold Mrs H's complaint. AWP P&C SA should now take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 29 March 2023.

Louise Povey

Ombudsman