

The complaint

Miss R complains about the way AWP P&C SA handled claims she made on a travel insurance policy.

What happened

Miss R holds travel insurance as a benefit of a packaged bank account.

In March 2022, Miss R travelled abroad on holiday and planned to travel on a cruise. Unfortunately, a couple of days after her arrival, she tested positive for Covid-19 and was required to self-isolate in her hotel room. Therefore, she missed her cruise. She had to extend her trip by two days. So Miss R made a claim on her travel insurance policy for the costs she'd incurred.

AWP decided to split Miss R's claim in two – into a medical expenses claim and a curtailment claim. It settled Miss R's medical expenses claim in August 2022. But despite Miss R chasing things up and complaining about delays in the claims handling process, the curtailment claim remained outstanding. Miss R asked us to look into her complaint.

In late November 2022, AWP settled Miss R's curtailment claim. It also offered Miss R £50 compensation to recognise the delays in its handling of the claim. Miss R didn't think this offer of compensation was enough to recognise the effect the delays had had on her.

Our investigator recommended that AWP should pay Miss R a total of £300 compensation. Although AWP had said it had experienced a high volume of claims, he felt there'd been a period of around seven months during which AWP hadn't progressed the claim. And he thought there'd been a lack of communication from AWP during the claims process. He considered £300 compensation was a fair award to recognise Miss R's trouble and upset.

Miss R accepted the investigator's assessment.

AWP disagreed. It made an offer of £200 compensation, as it felt £300 was on the high side, in comparison with awards our service had previously made.

So the complaint's 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 with our investigator's conclusions and I'll explain why.

At the outset, it's important I make it clear that this decision will only consider the way that AWP handled Miss R's claims. It appears that Miss R may be unhappy with the settlement she's been paid for her claims. As our investigator explained, before we can look into a complaint about the settlement Miss R was paid (including whether AWP took into account any credit card charges she may have incurred solely due to the claims when it calculated

settlement), it must be given a chance to look into those particular issues. If Miss R is unhappy with the outcome of any complaint about the amount AWP has paid in settlement of the claims, she may be able to bring a new complaint to us about that issue alone.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. In this case, AWP now accepts that there were unacceptable delays in the way it handled Miss R's claim. And it agrees that compensation over and above its initial offer of £50 should be paid. So I've considered what I think fair and reasonable compensation should be.

From the evidence AWP has provided, it's clear that Miss R notified its medical assistance team of her situation on 14 March 2022 – while she was quarantined in her hotel room. It appears that claim forms were sent around a week later. In May 2022, Miss R called up to check the progress of the claim and she says she was told she'd been forwarded the wrong forms previously. Miss R sent the relevant documents a few days later.

Miss R called AWP for updates in June and on a number of occasions during July. At points she was told that AWP was working on older cases and it appears she told AWP that she was incurring credit card charges. Around a month later, Miss R called again and AWP noted that Miss R was frustrated that only her medical expenses claim had been settled. And on 31 August 2022, AWP notes say that during a call, Miss R had become very upset, as she'd been waiting for six months; was incurring charges and was struggling with long Covid. It also appears she was told she needed to send in further information.

In early October 2022, Miss R had to call AWP again, to chase up the progress of the claim. Again, the notes say that Miss R was very upset and frustrated. The notes indicate that Miss R was promised a call back within a few days, but it isn't clear whether this was ever made. Instead, the curtailment claim doesn't appear to have been settled until late November 2022 – around eight months after the claims had been made.

AWP's records, and indeed, Miss R's testimony, indicate that Miss R's claims were prolonged over a number of months. As the investigator said, it seems that for a number of those months, AWP simply wasn't progressing the claim. Miss R responded promptly to information requests – and by her account, she was asked for information AWP already had. The delays Miss R experienced don't appear to be in any way attributable to any action on her part. It's clear from the notes that AWP was aware that Miss R was upset and frustrated by the delays in the process and it seems AWP was also aware that she was suffering from long Covid. It was open to AWP to try and speed things along, but it didn't take the opportunity to bring the claims to a close for Miss R.

Miss R had to chase repeatedly for updates and AWP wasn't at all proactive in letting her know what was happening with her claims. I don't find AWP acted fairly or reasonably by failing to progress the claims, or by its lack of communication with her. And in these particular circumstances, given the clear impact AWP's handling of the claims had on Miss R, causing her worry, frustration and upset, at a time of illness (which it was fully aware of), I think an award of £300 is both proportionate and appropriate.

Overall, I find that a total of £300 compensation (less any amount Miss R has already been paid) is a fair and reasonable amount to reflect the affect AWP's poor handling of the claims had on her.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint.

I direct AWP P&C SA to pay Miss R £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 13 April 2023.

Lisa Barham
Ombudsman