

The complaint

Miss E is unhappy with the time it took for Astrenska Insurance Limited to pay her claim.

What happened

Miss E has travel insurance with Astrenska. Whilst on holiday, she was robbed and her wallet containing her bank card and cash was stolen. She reported the robbery to the local police and Astrenska. Her claim was accepted on 5 December 2022, however, it wasn't paid until 20 January 2023. Miss E is unhappy with the delay as she was told it'd be paid within five working days. She'd like compensation for the distress and inconvenience this caused.

Astrenska acknowledged it didn't pay Miss E's claim in good time. But it refused to pay her compensation. Astrenska said it was dealing with another claim for Miss E and that it'd mistakenly made an overpayment. It said any compensation that was due should be offset against that claim.

Our investigator disagreed. She said Astrenska should pay Miss E £100 for the distress and inconvenience caused by the delay in paying her benefit and that this shouldn't be offset against the alleged overpayment on the other claim. She said that claim should remain separate from this one and that the compensation she is awarded should be paid directly to Miss E.

Astrenska, unhappy with this, requested an ombudsman to review the complaint. And so, it's for me to make a final decision.

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'm of the same opinion as our investigator. Astrenska must keep both claims separate and as such, I'll only be considering its actions on this particular issue. I should also say there is another complaint being considered separately where the alleged overpayment is subject to that case.

It's not in dispute that Astrenska delayed making the payment to Miss E on this case. It said on 5 December 2022 that it'd make the payment to settle this claim. Astrenska said it'd make that payment within five working days. But this didn't happen. Instead, it took around 40 days. Under the Insurance Conduct of Business Sourcebook (ICOBS) Astrenska must handle claims promptly and fairly. For the reasons I've explained, I'm satisfied Astrenska didn't handle Miss E's claim promptly because there were unnecessary delays with making the settlement payment.

Further, I note Astrenska didn't give reasons to satisfactorily explain the delay, nor did it give Miss E any updates during that period. For those reasons, I consider the £100 compensation recommended by our investigator to be fair.

I should also explain that it wouldn't be fair for Astrenska to offset this compensation against another claim. I say that because the issues here are separate to those in that particular case. The compensation awarded here is related solely to the delays in paying Miss E's settlement for this claim and the £100 compensation is awarded to her for the distress and inconvenience that caused.

My final decision

I'm upholding Miss E's complaint and Astrenska Insurance Limited must pay her £100 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 27 April 2023.

Scott Slade
Ombudsman