

## **The complaint**

Mr N complains about the way that U K Insurance Limited (UKI) handled a claim he made on a travel insurance policy.

## **What happened**

The circumstances of this complaint are well-known to both parties, so I've simply set out a summary of what I think are the key events.

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

In January 2023, Mr N was on holiday. Unfortunately, while he was away, his bag, containing cash, bank cards, mobile phones, his passport and other personal possessions, was stolen. Mr N was able to file a police report for some of his lost items. However, Mr N's airline told him that he wouldn't be able to fly without an emergency travel document, so Mr N contacted UKI's assistance team from the airport police station to make a claim.

UKI accepted Mr N's claim. But there were some issues with how it handled it. Firstly, UKI had booked Mr N a hotel for the evening following the theft, but due to Mr N's lack of mobile phone or computer access, it wasn't able to confirm this with him. So Mr N says he had to sleep on a bench in the airport. When UKI booked Mr N a hotel for the next day, it provided him with the details of another hotel on the same street, so Mr N went to the wrong hotel. UKI agreed to advance Mr N cash to pay for emergency travel documentation (and did so). But it wrongly told Mr N that it'd booked train tickets for him to travel to the British Consulate to pick-up the documents, when in fact, it hadn't made such a booking.

Mr N asked UKI to advance him cash to replace money which had been stolen along with his bag. But UKI declined to do so. That's because cash hadn't been listed as a stolen item on the police report. UKI told Mr N that a cash advance for stolen money could be considered if Mr N provided a police report which stated the amount which had been stolen, along with proof of ownership of the money. Mr N was also unhappy that UKI hadn't paid for all of his meals. He felt the service from the assistance team had been poor. And he said the situation had had an impact on his health, as he'd suffered from worrying symptoms while he was away.

Ultimately, UKI covered Mr N's accommodation costs abroad until he'd arranged the emergency travel document and was able to return to the UK. While he was away, Mr N was able to obtain a new police report which did include the stolen cash. Following his return to the UK, UKI settled Mr N's claim in line with the policy terms and conditions, including an amount for the stolen cash.

UKI went on to look into Mr N's concerns. It maintained that the policy didn't cover a policyholder's meals, so it felt it had been fair for the assistance team to decline to cover such costs. And it concluded that it had been reasonable for the assistance team not to advance Mr N cash - other than for the emergency travel document - in the absence of proof of loss or ownership. UKI did accept though, that, at times, its assistance team's service had fallen short of its standards. So it paid Mr N £100 compensation.

Mr N remained unhappy with the way UKI had handled his claim and so he asked us to look into his complaint.

Our investigator didn't think UKI had handled Mr N's claim fairly. She felt that it'd been reasonable for UKI to turn down Mr N's claim for food. And that it had been fair for UKI to decline to arrange a cash advance in the absence of evidence that the cash had been stolen. But she felt that failures by the assistance team in terms of booking the hotels; providing Mr N with unclear information and failing to book transport when it said it would, had added to Mr N's distress and inconvenience during an already difficult situation. So she recommended that UKI should pay Mr N an additional £250 compensation.

UKI accepted our investigator's recommendations.

Mr N didn't agree with our investigator's findings and 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, whilst I'm sorry to disappoint Mr N, I think that the fair outcome to this complaint is for UKI to pay him an additional amount of £250 compensation and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Mr N's policy and the circumstances of his claim, to decide whether UKI treated Mr N fairly.

It's clear that Mr N was in a very difficult situation. His bag had been stolen, which contained his means of communication; his identification; his bank cards and money; along with other personal effects. I don't doubt how upsetting and stressful this was for Mr N, as I'm aware he was reliant on being able to use the police's and hotel's phones and computer systems to get in touch with UKI. Given the circumstances in which Mr N found himself, it seems to me that he would always have understandably suffered a degree of trouble, upset and inconvenience. I don't think I could fairly or reasonably hold UKI responsible for the loss of Mr N's bag, the inconvenience and stress of his things being stolen, or for the fact that its assistance team had few ways to get in touch with Mr N while he was abroad.

Mr N feels that UKI should've paid for his food while he was abroad and also that it should've provided him with a cash advance to reflect the fact his money had been stolen. So I've carefully considered the policy terms and conditions, which form the basis of the contract between Mr N and UKI, to assess what cover UKI provided under sections J – personal money and K – Lost Passport or Driving Licence.

Section J says that UKI will cover a policyholder's personal money, up to the policy limit, if it's lost or stolen while a policyholder is on their trip. It also states that a cash advance can be arranged if a policyholder can't obtain funds locally. However, section J also says that a policyholder needs to provide a police report for the loss of money and that a policyholder must provide proof of ownership and value of the money.

In this case, Mr N accepts that when he first went to the police and obtained a police report, he didn't tell the police about the stolen money. This means that the theft of the cash wasn't included on the original police report which was sent to UKI. As such, I don't think it was

unreasonable for UKI to rely on its policy terms to decline to arrange a cash advance for Mr N until he'd provided it with an updated police report and substantiated this part of his claim.

I appreciate Mr N was able to later report the loss of the money to the police and obtain an updated report, which was sent to UKI. However, this report was sent to UKI *after* Mr N had already returned home. Accordingly, it seems this part of the claim wasn't substantiated while Mr N remained abroad and so, UKI wasn't in a position to arrange a cash advance for him. However, once UKI had received the police report (and proof of ownership and value), I can see that it settled Mr J's claim for stolen money. This is in line with the policy terms.

Section K says that UKI will pay for a policyholder's reasonable travel, accommodation and administration costs that they have to pay to obtain an emergency travel document, if their passport is lost or stolen – along with the cost of the emergency document. UKI hasn't chosen to include cover for a policyholder's food under this section of the policy and so I wouldn't reasonably expect UKI to have offered to pay for Mr N's meals. I understand that it did pay for at least some breakfasts at the hotels it booked for Mr N, which was outside of the policy terms. I'm satisfied though that UKI did advance cash to pay for Mr N's emergency travel document and it appears that it covered his travel and accommodation costs in obtaining the emergency document. So I don't think UKI acted unfairly when it settled this part of the claim either.

Nonetheless, it's clear that UKI didn't handle Mr N's claim as well as it could've done. Mr N was left without a hotel on the first evening and even when a hotel was booked for him, he was given details of the wrong hotel. The assistance team told Mr N that it'd booked train tickets for him to allow him to travel to collect the emergency document when it hadn't done so. It appears that Mr N was originally booked into a hotel without a phone in his room, despite this being something he needed in order to communicate with UKI, given his phones had been stolen. And I can also see that Mr N was concerned as to whether the booked hotels had internet access either, which would again limit his ability to communicate with UKI. I don't doubt that all of these issues caused Mr N unnecessary additional trouble and upset at an already difficult time for him. Indeed, I can see that Mr N also told UKI about worrying symptoms he was experiencing while he was away. So I appreciate that the frustration and concern he was caused as a result of the service errors likely caused Mr N extra worry.

This means I agree with our investigator that the £100 compensation UKI has already paid Mr N isn't enough to reflect the impact I think its actions had on him. In my view, the additional £250 compensation UKI has now agreed to pay Mr N (equal to total compensation of £350) is a fair and reasonable award to reflect the additional trouble and upset I think its service failings are likely to have caused Mr N, while he was already dealing with an upsetting and stressful situation. So I find that the fair way to resolve this complaint is for UKI to now pay Mr N total compensation of £350, less the £100 it's already paid him – meaning it must pay an additional amount of £250.

### **My final decision**

For the reasons I've given above, my final decision is that I think UKI has now made a fair offer to settle Mr N's complaint.

I direct U K Insurance Limited to pay Mr N compensation of £250, in addition to the £100 it's already paid him. This is equal to total compensation of £350. If UKI *hasn't* yet paid Mr N the £100 it initially offered him, it must now do so, along with the additional amount of £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 25 July 2023.

Lisa Barham  
**Ombudsman**