

## **The complaint**

Mrs S complains about the way American International Group UK Limited (hereafter “AIG”) handled her travel insurance claim.

## **What happened**

Mrs S booked a week-long trip to a country I’ll call “X” and bought a single trip travel insurance policy underwritten by AIG to cover it. Mrs S departed as planned, but extended her trip when her brother who was also in X passed away.

Mrs S claimed for the additional costs she’d incurred and later complained about the way her claim was being handled. She felt she’d provided AIG with all the information it had needed, and said it was consequently delaying matters.

AIG looked at what had happened and explained it needed some more information from Mrs S; namely confirmation from her late brother’s doctor that the death wasn’t a result of a pre-existing medical condition (PEMC). However, AIG acknowledged it had taken longer than it should have to progress the claim and ask for this confirmation, so it offered to pay a total of £250 compensation to reflect that.

Unhappy, Mrs S referred her complaint to this service and also provided AIG with the additional information it had asked for. Mrs S told us that she wanted all of her costs reimbursed and compensation for the mental and financial stress she’d been put through.

Our investigator thought AIG’s subsequent request for additional information was reasonable and the £250 offered was fair compensation for the delays. Mrs S disagreed however and said £250 wasn’t reasonable given the distress she’d been caused. She also explained AIG had since gone on to settle some of her claim but not all of it, and said she remained unhappy with the amount received.

Our investigator advised that as no agreement was reached on this complaint the matter would be passed to an ombudsman to decide. They also confirmed the recent settlement amount from AIG wouldn’t form part of this complaint, and Mrs S would need to raise her concerns about that via a separate complaint.

## **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.

Mrs S clearly feels very strongly about what has happened. I’d like to thank her for taking the time to set out her complaint and I’m sorry to read about the death of her brother. While I have considered everything, this decision will not address every single point or argument raised. It will focus on those matters I consider central to its outcome and my findings are as follows:

- AIG has a responsibility to handle claims promptly and fairly.

- The travel insurance policy Mrs S bought didn't provide cover for PEMC's. This was detailed in the policy documentation, and the policy's definition of a PEMC was given as *"any illness, disease or injury suffered by you, your relative, business associate, or travelling companion..."*.
- Mrs S extended her trip because her brother passed away. Although I empathise with how difficult a time that event must have been for her, given the points noted above I don't think it was unreasonable of AIG to seek confirmation that her brother's death was not the result of a PEMC.
- I appreciate why Mrs S felt the death certificate she'd already provided showed the death hadn't been the result of a PEMC. But again, for the reasons already given above, I don't think it was unreasonable of AIG to request confirmation of that by way of medical evidence.
- AIG could have requested that information sooner however and it accepts this. AIG's delays did cause Mrs S additional distress during what was an already difficult time, and it was right of it to acknowledge this impact and offer compensation.
- Compensation is intended to be a fair and proportionate reflection of the impact of a business's mistake on someone. It is not intended to be used as a punitive measure, and in my opinion the £250 AIG has already offered in settlement of this complaint represents a fair and proportionate reflection of the impact its mistake caused.

### **Putting things right**

AIG has already made an offer to pay £250 to settle the complaint and I think this offer is fair in all the circumstances.

### **My final decision**

My decision is that American International Group UK Limited trading as AIG UK should pay £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 18 August 2023.

Jade Alexander  
**Ombudsman**