

The complaint

Mr D and Ms M are unhappy with how Astrenska Insurance Limited (Collinson) handled their claim.

What happened

Mr D and Ms M had an annual travel insurance policy underwritten by Collinson, a trading name of Astrenska. Unfortunately, they had to cancel a planned holiday due to serious ill health. So they made a claim on their policy.

Collinson accepted the claim and agreed to settle. But Mr D and Ms M were unhappy with how the claim had been handled. They said it had taken too long to settle the claim and they had concerns about the process and the customer service they received during their claim journey. So they complained.

Collinson acknowledged there had been failings and paid Mr D and Ms M £70 compensation. They remained unhappy so they brought their complaint to this service.

Our investigator looked into what had happened. She didn't think the compensation did enough to put things right. She upheld the complaint and recommend Collinson pay an additional £100 compensation to recognise the impact of the delay and poor customer service.

Mr D and Ms M said they agreed with the outcome, although they felt the award was a small punishment for Collinson and didn't put right the impact, time, and distress they'd been through.

Collinson didn't reply. So the case was passed to me to make a 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.

The relevant rules and industry guidelines say Collinson has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably. This means Collinson must progress claims in a timely manner and not cause any unnecessary or avoidable delays.

Mr D and Ms M made their claim on 13 September 2022 and the claim was settled on 30 November 2022. I understand why Mr D and Ms M wanted their claim to be settled as quickly as possible, but overall, I don't think two and a half months is unreasonable. An insurer needs time to review the claim and can request further evidence if necessary.

However, I think Collinson would have been able to settle this claim sooner if they'd been better with their communication. They should have clearly set out the information they needed when the claim was first submitted. Mr D and Ms M were already going through a

difficult time, and I think Collinson's poor claims handling exacerbated this. It's clear that Collinson's lack of communication and requests for the same documentation caused upset to Mr D and Ms M.

They have explained the importance of the claims processing being hassle free and without delay during such a hard time in their lives, and I don't think that's an unreasonable expectation in the circumstances. Mr D and Ms M should've been able to contact their insurer by phone and their calls should've been answered in a timely manner, instead of waiting in an unreasonable call queue.

Collinson said that their service levels were affected due to a surge in claims and calls around this time. But that it isn't Mr D and Ms M's fault. Collinson could've managed their expectations regarding the claims journey and timescales better. Had Collinson provided better communication and meaningful updates, I think additional stress and inconvenience for Mr D and Ms M would've been avoided.

For the reasons set out above, I don't think the £70 compensation already paid by Collinson is enough to reflect the additional stress they caused to Mr D and Ms M at an already difficult time. I think a total of £170 fairly acknowledges the inconvenience and upset the claims process caused Mr D and Ms M.

I note the comments that this compensation award doesn't feel like a big enough punishment for Collinson. But our role isn't to punish a business for their wrongdoing. If we find there has been a failing, we ensure the business takes reasonable action to compensate their customer for the impact of that failing.

Mr D and Ms M asked that Collinson review their claims process for large claims prompted by a serious medical condition, because they don't think the process is fit for purpose. Although this isn't something we can ask them to do, Collinson did say they'd provide feedback to the relevant areas to try and avoid similar issues. I think this is reasonable, alongside the compensation I've set out above.

Putting things right

Astrenska Insurance Limited (Collinson) needs to put things right by:

- Paying Mr D and Ms M an additional £100 compensation for the poor claims handling and communication during the claims process and the additional distress this caused.

My final decision

I'm upholding this complaint and direct Astrenska Insurance Limited (Collinson) to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms M to accept or reject my decision before 28 September 2023.

Georgina Gill
Ombudsman