

The complaint

Mr F and Mr R are unhappy with the way in which their claim has been handled by AWP P&C SA after making a claim on their travel insurance policy ('the policy').

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

AWP has a regulatory obligation to treat customers fairly. And a duty to handle insurance claims fairly and promptly.

For the reasons set out below, I don't think AWP has acted fairly and reasonably in the way in which it's handled Mr F and Mr R's claim.

- In its correspondence dated October 2022, AWP agreed to pay the claim made on the policy. That included the costs Mr F personally paid including some medical costs such as a fracture boot and crutches for Mr R whilst abroad, and an upgrade to the return flight back to the UK ('the expenses personally paid').
- The cost of the flight had been approved at the end of January 2022, and AWP didn't make payment until many months after Mr F and Mr R submitted their claim (minus the excess – which AWP was entitled deduct under the policy terms). I'm not persuaded that there was good reason for this delay, and I don't think AWP acted fairly and reasonably.
- I'm satisfied that Mr F was reasonably chasing AWP for updates during this time, often without substantive reply, and was asked to submit documents in support of the claim more than once. I'm satisfied this caused unnecessary distress and inconvenience.
- Mr F and Mr R also claimed for medical costs charged by the medical facility. Despite AWP agreeing to cover this claim, I don't think this invoice has been settled. I've been provided with documentary evidence that Mr R is personally being chased for payment on behalf of the medical facility - for example letters dated January and March 2023.
- I accept this has caused Mr F and Mr R additional unnecessary worry and frustration and this would've been exacerbated by AWP's failure to reply to requests seeking confirmation as to whether the medical facility's invoice has now been settled.
- I'm satisfied that £350 fairly and reasonably reflects the cumulative distress and inconvenience experienced by Mr F and Mr R.

Putting things right

The parties accepted the recommendations of our investigator set out in her view dated 18 November 2022. I understand that AWP has now reimbursed Mr F and Mr R for the expenses personally paid and that it's also paid Mr F and Mr R compensation in the sum of £250 for distress and inconvenience recommended by our investigator. However, there remains payments outstanding.

Within 28 days from the date on which our Service notifies AWP that Mr F and Mr R accepts my final decision, I direct AWP to:

- pay the outstanding claim, subject to any financial limits of the policy - including settling the medical facility's expenses.
- pay additional compensation to Mr F and Mr R in the sum of £100 to reflect the additional distress and inconvenience they've experienced by AWP not promptly settling the medical facility's invoice. To be clear, that's on top of the £250 compensation AWP has already paid in response to our investigator's view.
- pay to Mr F and Mr R an amount to reflect simple interest at a rate of 8% per annum from the date on which Mr F and Mr R first made the claim under the policy with supporting documentary evidence of the expenses personally paid, to the date on which the expenses personally paid were settled by AWP.

If AWP considers it's required by HM Revenue & Customs to take off income tax from any interest paid, it should tell Mr F and Mr R how much it's taken off. It should also give them a certificate showing this if they ask for one. That way Mr F and Mr R can reclaim the tax from HM Revenue & Customs, if appropriate.

My final decision

I uphold this complaint and direct AWP P&C SA to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mr R to accept or reject my decision before 16 August 2023.

David Curtis-Johnson
Ombudsman