

The complaint

Mr and Mrs O's complaint is about three claims they made on their UK Insurance Limited ('UKI') travel insurance policy between 2020 and 2022.

UKI paid the first two claims but declined the third. Following an investigation into that claim UKI determined that Mr and Mrs O had acted fraudulently and declined cover. As a result, they voided the policy and asked Mr and Mrs O to pay back the sums they'd paid out.

Mr and Mrs O say they've been treated unfairly and want UKI to cover the third claim.

What happened

Mr and Mrs O held travel insurance with UKI through their packaged bank account.

From 2020 they made three separate claims for hospital treatment whilst abroad over a 16 month period. All three claims were similar in nature. The first two related to hospital treatment for Mr O whilst he was abroad whilst the third was for treatment for Mrs O. UKI considered the first two claims and paid them. The total paid out for those claims amounted to over £45,0000.

When the claim for Mrs O was made, UKI made further enquiries to validate it. This prompted them to look back at the previous claims made by Mr O to compare the information given in light of the proximity of the claims in time and the similarity of treatment claimed for.

UKI asked Mr O for further information to answer several discrepancies in relation to all three claims. UKI say they didn't receive the information they needed to satisfy themselves that they were genuine. As such they determined the claims had been made fraudulently and declined to cover the third one. They also asked for the sums already paid in respect of the first two claims to be returned to them and put Mr and Mrs O on notice that the policy would be cancelled with no return of premium and that the relevant authorities may be notified, and details of the matter shared with fraud prevention agencies.

Mr and Mrs O don't agree with the action UKI have taken so referred their complaint to the Financial Ombudsman Service. Our investigator considered their complaint and concluded that it shouldn't be upheld. She said that UKI were entitled to take the action they had because Mr and Mrs O hadn't supplied them with credible evidence that their claims were genuine when discrepancies were put to them. Mr and Mrs O don't agree so the matter has been passed to me to determine.

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 don't uphold Mr and Mrs O's complaint for broadly the same reasons set out by the investigator. I'll explain why.

When UKI began to investigate the latest claim made for Mrs O, they identified a number of areas of concern that Mr and Mrs O weren't able to provide credible answers to. I appreciate that Mr and Mrs O aren't happy with the issues that UKI have identified. I've dealt with their comments in relation to those under the headings below.

Place of residence

The policy will provide travel insurance cover if Mr and Mrs O spend at least six months of any twelve month period in the UK.

On conducting their enquiries, UKI discovered that Mr and Mrs O have a home in the country they were claiming medical expenses in and that Mr O had a business and other charitable interests there. They also discovered that he had and appeared to be continuing to pursue a run for governor in one of the states in that country. UKI thought that taken together, this suggested that Mr and Mrs O were resident in the country they were claiming in for longer than six months of the year.

Mr and Mrs O don't agree. They say that as Mr O was born in that country, he was entitled to run for governor, that the business described was nothing more than a hobby business to pass the time and that having charitable interests in another country didn't mean they stayed there for longer than six months of the year. Whilst that might be right, Mr and Mrs O didn't provide UKI with any evidence of how long they spent away from the UK in the policy years they had made claims on and without this information, I don't think it was unreasonable for UKI to decline the latest of the three claims made.

I appreciate that Mr and Mrs O have now provided some additional documents to support Mr O's residency. That information wasn't provided to UKI when they requested it and from what I can see there's nothing that confirms Mr O's residency in one country or another in any event.

Evidence supplied to support third claim

When a claim was made for Mrs O, UKI asked for evidence to support how hospital deposits were paid for, which totalled around £6,000. Mr O said the two deposits totalling this amount were paid in cash, but he wasn't able to supply any evidence of this sum being withdrawn from his bank or cite any other relevant source of payment.

Two receipts were however supplied to support the claim, which purported to come from the hospital, paid two days apart. The receipt numbers were consecutive. UKI concluded this was questionable. The hospital itself was large and busy so it was unlikely that no other payments had been made in between the payments Mr O said he'd made. As such UKI asked for further evidence to support that the payments being claimed for had actually been made but nothing further was provided.

Mr and Mrs O say it's not their fault that the hospital provided consecutive receipt numbers, but they haven't commented on why they couldn't prove how they paid for the sums claimed. In light of that, and given the lack of credible evidence to support the losses being claimed for, I don't think UKI were wrong to decline the claim.

Mr O's first two claims

Although UKI initially paid these claims, the third claim made for Mrs O gave them cause for concern, so they started to look at the evidence provided to support these. I don't think this was unreasonable given the proximity in time to Mrs O's claim and the fact that the medical treatment claimed for appeared to be very similar in nature and of high value. Mrs O's

particular claim was for around £46,000, whilst the two claims Mr O had made amounted to roughly the same amount when taken together. Given the inconsistencies in Mrs O's claim, I think UKI were entitled to look back at these claims to decide whether they were made legitimately.

The two claims Mr O made are relevant to Mrs O's claim because they were made before hers. If, as UKI has determined here, the policy was voided from that point onwards, there would be no cover for Mrs O in any event.

On reviewing the claims made by Mr O, UKI determined several areas of concern. Firstly, one of the hospitals Mr O says he had treatment at was verified by their agent to be a derelict building that was uninhabited and in disrepair. Local people were interviewed about whether there was a hospital there previously. One couldn't recall a medical facility of any kind ever being there and another said there may have been an antenatal centre there some years ago, but this wouldn't have been relevant to the claim Mr O was making.

Mr O has provided an affidavit from the Doctor he says had treated him. This set out that the hospital occupied various sites over the years but there's nothing that supports it was in the location that Mr O says he stayed in when he claimed by way of photographic evidence. Balancing this against UKI's agent's report, including the fact that the site referred to looks like it had been uninhabited for some considerable time, I'm not satisfied that there's enough evidence to suggest a hospital was in place when Mr O claimed he was treated there.

UKI said the telephone contact information supplied on the letterhead provided for the hospital was incorrect. One number didn't work at all whilst another contained an extra digit. Mr O says this is explained by the affidavit of the treating Doctor who says the additional digit was simply a typographical error. In response UKI said they found it unlikely the official letterhead for a hospital would contain such errors and they were concerned that there was no working telephone number available for the hospital at all. The only contact they were able to make was with the treating Doctor on his mobile phone, which seems inconsistent with his statement that he is part of a working hospital. I'm inclined to agree with UKI that these inconsistencies don't provide credible evidence to support Mr O was treated at the medical facility he'd claimed for.

UKI contacted the medical centre Mr O said he'd initially been treated at. It asked that centre to verify the reference number on the report Mr O had supplied. The medical centre said it didn't recognise the reference number provided. Mr O is unhappy that UKI contacted the medical centre. He says they did this without his consent and that they breached data protection legislation. I don't agree. UKI were entitled to verify the evidence Mr O had supplied in respect of his claim and as far as I can see, no credible explanation has been supplied to explain why the reference number wasn't one that the medical centre didn't recognise. In light of this I can't say the position UKI has taken in respect of Mr O's claim and subsequently Mrs O's, was unreasonable.

Finally, UKI were also concerned about a number of other discrepancies Mr O provided in Mrs O's claim such as his occupation. Initially he told them he was a Nurse but later changed that to 'bank staff'. And when making his second claim, Mr O initially said he was claiming for Mrs O. When he was told that Mrs O had breached the trip limit for the policy and that she couldn't claim, he went on to say that he was unwell himself and wanted to pursue a claim. Whilst there may be reasons to support why this information was given, I can see why UKI would find his account to be inconsistent and unpersuasive. Taken together with the inconsistencies in the evidence provided, I don't think it was wrong for UKI to invoke the fraud provision contained in the policy as it did. That provision says:

"You must be honest in your dealings with us at all times. We will not pay a claim that is in

any way fraudulent, false or exaggerated. If you, any person insured under this policy or anyone acting on your behalf attempts to deceive us or knowingly makes a fraudulent, false or exaggerated claim;

- Your policy may be cancelled*
- We may reject your claim and any subsequent claims*
- We may keep any premium you have paid."*

The policy also goes on to say:

"We have the right to cancel any other products you hold with us and share information about your behaviour with other organisations to prevent further fraud. We may also involve the relevant authorities who are empowered to bring criminal proceedings."

Taking everything into account, I don't think UKI did anything wrong. As matters stand there are several unexplained discrepancies that call into question the credibility of the claims made by Mr and Mrs O and have not been answered in a satisfactory manner. As such UKI were entitled to decline those claims, void the policy, retain the premium and make any applicable reports to relevant authorities should they wish to do so.

My final decision

For the reasons set out above, I don't uphold Mr and Mrs O's complaint against U K Insurance Limited.

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

Lale Hussein-Venn
Ombudsman