

The complaint

Mr M and Mrs M complain about the way Admiral Insurance (Gibraltar) Limited handled a claim on their travel insurance policy.

For ease of reading reference to Admiral includes those acting on its behalf. And all submissions will be referred to as being made by Mrs M directly.

What happened

I've only set out what happened very briefly as both parties are aware of the background to this complaint.

Mrs M became unwell during a trip to a country I'll call "E". She was taken to hospital at the time and needed treatment, so a claim on the travel insurance policy she and Mr M held together was made.

Admiral accepted that claim but said it could only settle it on a proportionate basis. It explained that on review of the available evidence, it'd become aware of pre-existing medical conditions that hadn't been declared for Mrs M when the policy was purchased. It said it would have charged a higher premium for the policy had it been aware of those conditions, and so, it would only settle the claim proportionally at 58% of cost.

A complaint about both the proportionate settlement and the overall handling of the claim was raised. But Admiral maintained its position on the settlement and said there'd been no avoidable delays either, so Mr M and Mrs M brought their complaint to this service.

Mrs M explained that she no longer wanted us to consider the proportionate settlement part of this complaint – because Admiral had gone on to agree to cover the costs in full and outside of the policy terms. But she did confirm she remained unhappy with the level of service that had been provided, and felt an award of compensation was warranted for that.

Our investigator looked at what had happened and didn't think Admiral had handled the claim as promptly as it could have done. They were however mindful that Admiral had agreed a settlement outside of the policy terms, and so they recommended it paid £100 compensation as a fair reflection of the impact its delays.

Admiral accepted that recommendation, but Mr M and Mrs M did not. Mrs M said £100 did not justify the amount of time that had been spent dealing with the matter, nor the levels of stress and anxiety that had been caused. She explained the least that would be accepted would be £1,000, so the matter was 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.

Mrs M has told this service she no longer wants us to consider the proportionate settlement aspect of this complaint so I will not do so. The matter that remains in dispute however is in

relation to compensation, and for the reasons I'll now explain I won't be awarding an increase on the £100 recommended by our investigator:

- As an insurer Admiral was entitled to time to assess this claim. So, for example, time to make information requests to help it decide cover, and time to work out what its revised position on settlement needed to be once it became aware of the undisclosed pre-existing medical conditions. It also had to take some time to negotiate the costs being charged by E.
- Mrs M has spoken at length about the failings they feel occurred in this complaint. I won't recite them all, but she's referenced the amount of time she had to spend dealing with the matter, Admiral misplacing information she'd already provided to it, and her experiences of the treating hospital in E. While I thank Mrs M for taking the time to set these out I cannot hold Admiral responsible for the actions of the hospital in E.
- Admiral did however have a responsibility to handle this claim both promptly and fairly, and I don't think it always did that. For example:
 - Admiral requested medical evidence from Mrs M's GP on 27 December 2022 and did not receive it until 26 February 2023. Admiral was not responsible for the time it took the GP to provide this information. But it hasn't been able to show this service that it took any steps to try and lessen the significant delay that was being caused on the claim here, by following up on the outstanding information request during that two month period as an example.
 - Admiral also took around seven weeks from receiving that information to raising payment, which again added to the length of time this claim had been going on for and the subsequent frustration that was causing.
- So, some of Admiral's actions did lead to additional distress and frustration being experienced in the circumstances of this complaint and it could have taken steps to try and mitigate the impact of delays at times too. So, I think it's right that is recognised by way of fair and proportionate award of compensation.
- Compensation is not intended to punish a business and I too am mindful that Admiral has, more recently, chosen to act outside of the way it would have been entitled to proportionately settle this claim. That has meant Mr M and Mrs M aren't liable for the costs they previously would have been liable for. Based solely on the actions of Admiral and the action it has since agreed to take outside of the policy terms, I think £100 is a fair and proportionate reflection of the impact of the failings here.

Putting things right

For the reasons given above Admiral should put things right by paying £100 compensation.

My final decision

My final decision is that I uphold this complaint. Admiral Insurance (Gibraltar) Limited should put things right in the way I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 27 October 2023.

Jade Alexander
Ombudsman