

The complaint

Mr D and Miss B are unhappy with the way in which Admiral Insurance (Gibraltar) Limited handled a claim made on their travel insurance policy and the medical assistance provided whilst they were abroad.

All references to Admiral include its claim handlers and medical assistance team.

What happened

Mr D and Miss B had the benefit of a multi-trip travel insurance policy, underwritten by Admiral ('the policy'). Whilst abroad, during the period of cover, Mr D became ill, and Admiral was contacted for assistance.

Mr D and Miss B are very unhappy with the overall service they received from Admiral including the lack of communication, unnecessary delays and failing to promptly provide an updated guarantee of payment (GOP) to the treating hospital. As a result, they say Mr D was kept longer in hospital than medically necessary as the treating hospital wouldn't discharge him unless they personally paid the medical bills – which they couldn't afford to do – or it received an updated GOP from Admiral.

In its final response letter Admiral accepted that it should've provided Mr D and Miss B with a better service, and it acknowledged it hadn't offered the help and support they needed. It apologised and offered Mr D and Miss B £400 compensation. This was declined by Mr D and Miss B and they complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't think Admiral had to do anything more. He said compensation in the sum of £400 was fair and reasonable. Mr D and Miss B disagreed. So, I've been passed this complaint 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.

I want to be clear at the outset that I've only considered the issues relating to the way in which the claim was handled, and medical assistance provided by Admiral whilst Mr D and Miss B were abroad (as discussed between Miss B and Admiral's representative in December 2022) and addressed in Admiral's final response letter dated January 2023. And I haven't considered any issues around the costs incurred by Miss B making many calls to Admiral during that time and claims made on the policy (including for taxi expenses and costs of phone calls) which are being considered by Admiral separately.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS'). ICOBS says that insurers should handle insurance claims promptly and fairly - and shouldn't unreasonably reject a claim.

Admiral accepts that it should've handled Mr D and Miss B's claim better and provided better service whilst Mr D was in hospital. It accepts that:

- it didn't initiate contact with Mr D and Miss B during the time Mr D was in hospital. And it was Miss B who had to chase Admiral for updates and responses.
- it could've done more to manage Mr D and Miss B's expectations and provide them with reassurances they needed around the action being taken on their case and timeframes.

It apologised to Mr D and Miss B and offered them £400 compensation. I think that's reasonable. I'll explain why.

As Mr D and Miss B couldn't afford to pay for the medical bills upfront, the treating hospital wasn't prepared to discharge Mr D from hospital until Admiral had provided an updated GOP. I don't think Admiral are responsible for that decision. Nor do I think it was unreasonable for Admiral to want to verify the claim before providing an updated GOP. That's standard industry practice.

Admiral accepts that it didn't notice some key considerations initially which it ought to have done. That meant there were delays following up some information it needed to confirm cover and provide an updated GOP. For example, it accepts it delayed requesting Mr D's past medical history from his GP and overlooked some information sent to it by the treating hospital around the costs of Mr D's treatment.

I accept it was reasonable for Admiral to request a report from Mr D's GP to verify the claim and ensure that he'd answered questions about his health correctly when taking out the policy. But on the balance of probabilities, I'm satisfied that had this information been requested and clarified earlier, it's likely a GOP would've been provided earlier. Once information had been requested, it looks like Admiral received a prompt reply. And there's no reason to think had this information been requested when it ought to have been, the information wouldn't have been provided equally promptly.

Whilst this issue was still ongoing Miss B said that she and Mr D had spent days and nights worrying whilst on holiday and they hadn't benefitted from being away because of the stress "of all this". But I don't think it would be fair and reasonable for me to hold Admiral responsible for the totality of the stress and upset Mr D and Miss B experienced. I think Mr D becoming seriously ill would've been incredibly upsetting and worrying for them. Further, Admiral isn't responsible for the treating hospital's procedure that it wouldn't discharge a patient until a GOP had been issued covering the costs incurred.

However, I accept Mr D remaining in hospital several days longer than he needed to would've been very frustrating for Mr D and Miss B. And, despite the treating hospital's policy - I think it's likely he would've been discharged earlier if Admiral had done what it ought to have done initially. I've seen reference in the contact notes to Miss B being 'livid' and worried that they were missing out on some of the holiday because Mr D was being kept in unnecessarily. And I can understand why.

Their distress and worry would've been exacerbated by the unnecessary inconvenience of Miss B having to contact Admiral to find out what was going on, not receiving updates as promised and generally not having their expectations managed around when a GOP would likely be provided and what was still required. There were also occasions when Miss B was told misleading information. For example, she was advised that Admiral was in the process of sending the GOP on 14 September 2022 – a day after Admiral was told that Mr D was ready to be discharged – but that didn't happen. Further, by then, Admiral hadn't requested a

report from Mr D's GP in the UK even though Miss B was told a few days before that this was needed. So, I can understand why Mr D and Miss B were so upset by this stage.

And whilst I can understand why Admiral wanted a breakdown of costs from the treating hospital to verify and then look to negotiate these before providing an updated GOP, it overlooked it had received this.

However, ultimately, Mr D was able to leave the treating hospital before the updated GOP was provided by Admiral by surrendering his passport.

I accept that Miss B was still having to regularly chase Admiral for updates which would've been frustrating. I can also understand why they would've feared missing their flight back to the UK if the updated GOP wasn't provided. That's because the issue was only resolved within the few days before they were due to return to the UK and, up until then, the treating hospital still retained Mr D's passport.

Overall, I'm satisfied that £400 compensation fairly reflects the distress and inconvenience experienced by Miss B and Mr D as a result of Admiral's errors in this case.

Putting things right

I understand Admiral's offer to settle the complaint wasn't accepted by Mr D and Miss B so hasn't been paid. That being the case, I direct Admiral to pay Mr D and Miss B £400 compensation it's already offered to pay.

My final decision

Admiral Insurance (Gibraltar) Limited has already made an offer to pay £400 to Mr D and Miss B to settle the complaint. I think that's fair in all the circumstances. My decision is that Admiral Insurance (Gibraltar) Limited should pay £400 to Mr D and Miss B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Miss B to accept or reject my decision before 9 October 2023.

David Curtis-Johnson
Ombudsman