

The complaint

Mrs H has complained about the way Euroins AD (Euroins) dealt with and settled her claim.

What happened

Mrs H had a travel insurance policy, underwritten by Euroins. She travelled abroad but had to cut her trip short due to the death of a close family member.

Mrs H booked flights, returned home and submitted a claim.

Mrs H complained to Euroins as she was unhappy with the delays in dealing with the claim and because Euroins asked for information she had already provided. She was also unhappy with the claim settlement.

Euroins responded to the complaint and apologised for the delays but said it had correctly settled the claim, in line with the policy terms and conditions.

Mrs H referred her complaint to the Financial Ombudsman Service. Our investigator looked into the complaint but didn't think Euroins had incorrectly settled the claim.

Mrs H disagreed and said the conclusion had been reached without any reference to her or her dealings with the company and she also said her additional costs weren't specifically excluded under the curtailment section of the policy and so should be paid.

And so the case has been passed to me for 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.

Having done so, I think this complaint should be partially upheld. I'll explain why.

I issued my provisional decision on 23 August 2023 in which I said:

"The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly.

The curtailment section provides cover in the event Mrs H has to cut her trip short and under the section 'what you are covered for' it says:

"We will pay you up to the amount shown in the summary of cover for the unused portion of your travel and accommodation costs that you have paid or contracted to pay and you suffer a financial loss because you cannot get a full refund if you cancel before the start of your trip or cut your trip short and return home early during the period of insurance..."

And so I am satisfied that only prepaid costs are covered. There is no provision for additional

costs incurred. I think the term is clear that it pays unused costs and (my emphasis) Mrs H can't get a full refund if she cuts her trip short. It doesn't say Euroins will pay unused costs or (my emphasis) it will pay a financial loss if a trip is cut short. The financial loss has to relate to the unused costs.

But I don't think Euroins dealt with the claim promptly, as it is required to do and this caused Mrs H inconvenience and stress.

Mrs H submitted her claim and received an auto acknowledgement which said she should hear back within 6 weeks but she had to chase for a response when she didn't hear back after 6 weeks.

Additionally, Euroins asked Mrs H for information about her return flight which she had already provided.

Finally, Euroins asked for medical information which, if it had been requested earlier, could have saved Mrs H time and inconvenience.

Overall, I think Euroins should compensate Mrs H for not adhering to its own timescales and not providing an update. This meant Mrs H had to chase for a response. I think £150 compensation is appropriate due to the length of the delay and the inconvenience caused. I don't think the issue was long lasting and so I don't think a higher compensation award is appropriate."

Euroins didn't respond. Mrs H responded and in summary, she has said she would like more compensation as she had to chase for the claim to be dealt as quickly as it was. She feels she was ignored and Euroins tried to dismiss her claim and it was only due to her persistence that a payment was finally made. This was all at a time when she was grieving.

Mrs H submitted her claim on 25 July and received payment on 10 November. Although I accept Euroins could have done more to deal with the claim quicker, it is still entitled to investigate and verify a claim so this inevitably would have still taken a number of weeks. As Mrs H had to chase, that is what I am directing compensation for. Euroins should have progressed matters without being chased. I'm sorry to hear of the sad circumstances in which Mrs H had to make her claim. And while I have considered the additional and unnecessary stress caused to Mrs H at a time she was grieving, Euroins can only be held responsible for the unnecessary delays it caused. So I still think £150 is a reasonable amount.

My final decision

For the reasons set out above, I partially uphold this complaint and direct Euroins AD to pay Mrs H £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 11 October 2023.

Shamaila Hussain
Ombudsman