

The complaint

Mr B is unhappy with the way in which AWP P&C SA handled a claim made under his travel insurance policy ('the policy').

All reference to AWP includes its claims handlers.

What happened

Whilst abroad on an activity-based holiday in September 2022, Mr B suffered bodily injuries when falling off his bike. He was taken to hospital and underwent surgery.

Mr B said that due to surgery and the type of injuries sustained, he wasn't able to return home on his scheduled flight. He says he was advised by AWP that he must fly home business class so that his leg could be sufficiently elevated.

Mr B made a claim on the policy to cover certain costs including damage to personal effects, his out-of-pocket expenses including his return flight home and some medical costs he'd personally paid for. There were also other medical costs which he hadn't paid but remained outstanding.

In or around early 2023, AWP agreed to cover certain costs. However, there were several aspects of his claim which AWP didn't comment on, including:

- medical bills Mr B personally paid for
- outstanding medical bills Mr B was being chased for
- the cost of his return flight (business class)

And although AWP had, in principle, agreed that Mr B's holiday had, in effect, been curtailed due to his injuries and being hospitalised, the curtailment claim remained outstanding.

Unhappy with his claim not being settled in full and the delay in receiving payment, Mr B brought a complaint to the Financial Ombudsman Service.

Our investigator looked into what happened and upheld his complaint. He recommended AWP to pay:

- the curtailment claim.
- the outstanding medical bills personally paid by Mr B around £1,500.
- the cost of the return flight (business class) less the cost of the original flight Mr B had booked to return to the UK which AWP had already reimbursed him for.
- simple interest at a rate of 8% per year on the sums set out above from 6 December 2022 (the date on which our investigator said the claim should have been accepted by) to the date on which the payments are made.

Our investigator also recommended AWP to:

- make contact with the medical facility/debt collectors and directly pay the outstanding

- medical bills Mr B was still being chased about.
- pay Mr B £400 compensation for distress and inconvenience.

Mr B accepted our investigator's view. AWP didn't provide a substantive reply, so the complaint was passed to me to decide.

At the end of September 2023, AWP wrote to Mr B saying that it has arranged payment to be sent to Mr B for a little under £7,000 representing the curtailment claim, cost of the business class flight and 8% simple interest on those amounts. So, these costs were no longer in dispute. However, Mr B says he's yet to receive payment into his current account.

Our investigator asked AWP to confirm whether his view had been accepted and whether it agreed his remaining recommendations to put things right. AWP didn't provide a substantive response.

I issued my provisional decision in October 2023, explaining why I was also intending to uphold the complaint. As matters had progressed since the date of our investigator's view, I wanted to give the parties an opportunity to reply.

An extract of my provisional decision is set out below.

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AWP has a regulatory obligation to treat customers fairly. It must also handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

Many of the claims made by Mr B have either now been settled – or agreed to be settled - by AWP.

I'm satisfied the only remaining unpaid claims are medical bills Mr B has personally paid for and outstanding medical bills he's still being chased for. AWP hasn't confirmed whether it agrees that these costs are covered under the policy or whether they're declined (and why).

Outstanding medical expenses

AWP hasn't provided a substantive response to our investigator's view, recommending AWP reimburse the outstanding medical bills personally paid by Mr B (around £1,500) together with interest and to contact the medical facility to arrange paying the outstanding medical bills Mr B is still being chased for.

However, AWP has very recently said – because the claims for curtailment and the cost of the business class return flight have more recently been accepted and paid – this suggests its agents have accepted our investigator's view regarding his other recommendations. However, it has escalated this issue to its agents to confirm.

I'm satisfied AWP has had sufficient opportunity to provide a response and it wouldn't be fair and reasonable for me to delay determining the remaining aspects of Mr B's complaint. The emergency medical and other expenses section of the policy is set out at section B of the policy terms and conditions.

It says AWP will pay the following expenses (up to the policy limit and subject to the other terms of the policy) which are necessarily incurred as a result of the policyholder suffering unforeseen bodily injury, illness, disease and/or compulsory quarantine:

Emergency medical, surgical, hospital, ambulance and nursing fees and charges outside your home country.

AWP hasn't said that the medical costs being claimed under the policy by Mr B aren't covered under the policy. Nor has it raised any concerns about the validity of the medical costs – or amounts - being claimed which Mr B has provided receipts for.

And given that AWP has accepted and paid the other aspects of Mr B's claim – including extended accommodation and repatriation costs - I think it's reasonable to assume that there aren't any general exclusions relevant to the outstanding aspects of the claim relating to medical costs. And as the other aspects of the claim have been paid in full, in line with the policy terms, I also think it's reasonable to assume that AWP hasn't sought to proportionally settle the claim for any reason.

So, I think it would be fair and reasonable for AWP to now pay the outstanding medical expenses.

The overall service provided by AWP

I'm satisfied that AWP's service should have been better when handling Mr B's claim.

From what I've seen, I'm satisfied there were times AWP didn't get back to Mr B as promptly as it reasonably should have (or at all) after he provided documentary evidence in support of his claim and asked questions. Further, after it agreed to accept some claims in early 2023, it didn't respond to Mr B's questions about the status of the other costs he'd claimed for and why they weren't included in the sums AWP had agreed to cover.

Mr B submitted his claim in October 2022 and from what I've seen I'm satisfied that he promptly provided further information to AWP as requested. It then took around three months for AWP to accept part of his claim. I think that's too long in the circumstances.

Other costs weren't agreed to be paid until September 2023 – almost a year after Mr B submitted his claim. I'm satisfied there's no reasonable explanation for this delay and I don't think AWP handled Mr B's claim as promptly as it should've.

Mr B's total out of pocket expenses were significant and he says this put him and his partner under considerable financial pressure considering that they were due to complete the purchase of a property in early 2023. And that they had to ask friends and family for financial support due to the delay in receiving the money from AWP. I've got no reason to doubt what he says about that, and I accept what he says.

I'm persuaded that AWP's delay in handling Mr B's claim and delays in making payment for the claims it has now accepted as being covered, would have unnecessarily exacerbated an already stressful time for Mr B. And this would've been made worse by not receiving answers to the questions he put to AWP, including the status of the significant costs that he'd claimed for.

Mr B is still being chased for the outstanding medical bills which haven't yet been paid, and I accept this would be worrying for him as he didn't know whether these would be paid under the policy.

I'm satisfied £400 fairly reflects the distress and inconvenience experienced by Mr B over several months.

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Mr B replied accepting my provisional decision. AWP didn't respond.

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.

As I've not received any new information from the parties, I see no reason to depart from my provisional findings.

For this reason, and for the reasons set out in my provisional decision (an extract of which is set out above and forms part of this final decision), I uphold Mr B's complaint.

Putting things right

Within 28 days from the date on which the Financial Ombudsman Service notifies AWP that Mr B accepts my final decision, I direct AWP to:

A. pay the curtailment claim, which in its email to Mr B dated 29 September 2023 AWP has calculated to be around £2,040 (if this hasn't already been paid by AWP into Mr B's current account).

B. pay the cost of the Mr B's business class flight back to the UK, which AWP has calculated to be around £4,365 in its email to Mr B dated 29 September 2023 (if this hasn't already been paid by AWP into Mr B's current account).

C. pay the outstanding medical costs personally incurred by Mr B and claimed by him under the policy (around £1,500) less any excess due to be paid by Mr B.

D. pay an amount to reflect simple interest at a rate of 8% per annum from 6 December 2022 (the date on which AWP has accepted as the date the claim should have been assessed by) – in respect of the amounts in A, B and C above - to the date on which those costs are or have been settled by AWP.

E. contact the medical facility/debt collector agency about the outstanding medical bills Mr B is being chased for and to settle those bills (I understand this to be around £20,000).

F. pay compensation to Mr B for distress and inconvenience in the sum of £400.

If AWP considers it's required by HM Revenue & Customs to take off income tax from any interest paid in respect of (D) above, it should tell Mr B how much it's taken off.

It should also give him a certificate showing this if he asks for one. That way Mr B 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 B to accept or reject my decision before 7 December 2023.

David Curtis-Johnson
Ombudsman