

## **The complaint**

Mr and Mrs S complain about AWP P&C SA's handling of their travel insurance claim.

## **What happened**

Mr and Mrs S hold travel insurance cover with AWP through a packaged bank account. Mrs S became ill whilst abroad, and a claim was made for her medical expenses. This was accepted by AWP.

Mrs S began being chased for payment of unpaid medical bills by the hospital, including via a debt collection firm. Mr and Mrs S complained to AWP about this.

AWP explained that an administration error had been made when it sent the hospital its guarantee of payment. It apologised for this, and confirmed it had sent an amended guarantee of payment to the hospital in June 2023. It also offered Mr and Mrs S £250 compensation. However, Mrs S continued to receive chasers from the hospital. Mr and Mrs S therefore brought a complaint to this Service.

Our investigator recommended the complaint be upheld. She thought AWP ought to have been more proactive in communicating with the hospital. She recommended it pay the outstanding balance, and also pay total compensation of £350 to Mr and Mrs S.

AWP accepted our investigator's recommendations, but Mr and Mrs S didn't. The matter has therefore 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 agree with the conclusions reached by the investigator and for these reasons:

- Our investigator took into account what happened after AWP had issued its final response letter, and AWP hasn't objected to that. I've therefore also considered this.
- AWP accepts there was an administration error with the original guarantee of payment, as this didn't contain the relevant information. Whilst I appreciate it sent an amended guarantee of payment in June 2023, we asked it for evidence that it had paid the outstanding balance, but it didn't respond to us. The debt collection firm has recently told Mrs S that the outstanding balance still hasn't been paid.
- I agree with our investigator that AWP ought to have been more proactive about this matter. I therefore require AWP to settle any outstanding bills that are covered, and provide confirmation to Mr and Mrs S that this has been done.

- Mr and Mrs S have been caused unnecessary worry and upset because of AWP's error. Not only were they chased by a debt collection firm, but they've explained they've had to make numerous phone calls to AWP, as well as emails. Whilst I appreciate Mr and Mrs S do not think £350 compensation is high enough, I'm satisfied that this fairly reflects the impact the matter has had on them.

### **My final decision**

My final decision is that I uphold this complaint. I require AWP P&C SA to do the following:

- Settle any outstanding bills that it has received and is responsible for within 28 days of the date on which we tell it Mr and Mrs S accept my final decision, and provide confirmation to Mr and Mrs S that this has been done; and
- Pay total compensation of £350 (less any amount already paid)\*

\*AWP must pay the compensation within 28 days of the date on which we tell it Mr and Mrs S accept my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 13 February 2024.

Chantelle Hurn-Ryan  
**Ombudsman**