

The complaint

Ms M and the estate of Mrs M are unhappy that AWP P&C SA haven't yet settled a claim they made on a travel insurance policy.

What happened

Mrs M had a travel insurance policy connected to her bank account. She became unwell whilst abroad and was diagnosed with cancer. AWP repatriated her to the UK. Upon her return she claimed for the medical expenses. Sadly, Mrs M died shortly after her return to the UK.

To date, AWP still haven't settled the outstanding claim for medical expenses. So, Mrs M's estate, represented by Mr M, complained to the Financial Ombudsman Service.

Our investigator ultimately concluded that AWP should now settle the claim, pay £300 compensation and 8% simple interest on the settlement. The estate of Mrs M accepted the investigator's recommendation, but AWP didn't respond. So, the case has been passed to me to make 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.

The relevant rules and industry guidelines say that AWP has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

Based on the available evidence I'm satisfied Mrs M held a valid travel insurance policy with AWP. It's unclear whether she held a policy in her own right as the parties have provided differing information on that point. But they agree Mrs M was insured and AWP arranged Mrs M's repatriation. AWP hasn't suggested Mrs M wasn't covered and has accepted there is a valid claim. So, on balance, I think Mrs M was insured and AWP has accepted there is a valid claim.

I can understand why AWP wanted further information when they received the initial information from the GP surgery. However, I'm satisfied that it is now fair and reasonable to AWP to pay the claim.

AWP have had over a year to obtain more medical information or chase up anything that they considered was outstanding. I've been provided with evidence from the GP surgery which says that, as of December 2023, they hadn't received a request for full medical records but had received request for more limited information in the summer of 2023. This information ought to have been requested in November 2022 and there's no compelling evidence that AWP did so. The available information suggests that it is most likely AWP have been provided with the information from the GP surgery who has, in my view, most likely been co-operative and helpful with AWP's requests.

Taking all of the above into account, our investigator concluded that it was fair and reasonable for AWP to pay the claim. I agree it's not reasonable for AWP to have further time to obtain medical information which could have been obtained at a much earlier stage. They've also not provided a response to our investigator's recommendation or any further evidence in response to her opinion, and the information she provided in support of it. So, there's no compelling reason for me to reach a different outcome.

The handling of this claim has been poor, with significant avoidable delays. This has caused the estate of Mrs M a lot of frustration and inconvenience. As our investigator explained, I can't make an award to the estate of Mrs M, but I do acknowledge that Mrs M was most likely aware of some the difficulties in settling the claim prior to her death. At that time her family had settled several expensive medical bills amounting to around £21, 000 to enable her return home. So, I accept that she's most likely to have been worried about this at a time when she ought to have been focusing on her health and wellbeing. I think that this would have caused her distress and inconvenience at an already difficult time and that £300 fairly reflects the impact on Mrs M.

Putting things right

AWP needs to put things right by paying the estate of Mrs M:

- The claim in line with the remaining policy terms and conditions
- 8% simple interest from the date one month after the claim was received until the date of settlement
- £300 for the distress and inconvenience caused to Mrs M by failing to settle the bills promptly.

My final decision

I'm upholding Ms M and the estate of Mrs M's complaint and direct AWP P&C SA to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and the estate of Mrs M to accept or reject my decision before 20 February 2024.

Anna Wilshaw
Ombudsman