

The complaint

Ms V is unhappy that U K Insurance Limited has declined to cover a claim she made on her travel insurance policy.

What happened

Ms V was abroad when she experienced symptoms related to a fibroid. She underwent surgery and her treating doctor advised against her travelling home.

UKI told Ms V that they didn't consider her surgery to be medically necessary and so they didn't agree to cover it. Ms V continued with the surgery. She later contacted UKI about the claim a number of times and was told that payment would be arranged. She was also sent a copy of a guarantee of payment which didn't specify that the surgery wouldn't be covered.

UKI acknowledged that Ms V shouldn't have been told that the payment would be arranged and that this had impacted her at an already difficult and stressful time. They paid her £600 compensation to acknowledge the impact on her. But, ultimately, they have declined to cover the surgery. Unhappy Ms V complained to the Financial Ombudsman Service.

Our investigator looked into what had happened and didn't uphold the complaint because she thought the suggested settlement was fair. She acknowledged that UKI had made mistakes but thought their offer to pay £600 was reasonable.

Ms V didn't agree and asked an ombudsman to review the complaint. In summary, she said that because she'd been led to believe UKI were paying the bill she'd missed the opportunity to enter into a repayment plan with the hospital. Instead, she'd had to use savings and credit cards to cover the cost. She provided further evidence from the treating hospital stating that she'd been unfit to travel. So, I need 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 UKI has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

There is no cover for:

'Any claim for costs of treatment, tests or surgery, (including preventative treatment and cosmetic or elective surgery) which is not essential in the opinion of our medical adviser or could reasonably have waited until your return to your home area'.

The claims decision

I don't think it was unreasonable for UKI to decline the claim. Ms V attended a private facility as an outpatient. She wasn't admitted as an inpatient or directed to a public facility for emergency treatment. The surgery was scheduled for around two weeks after Ms V first

contacted UKI, and she was able to return to where she was staying in the meantime.

Prior to the surgery taking place UKI attempted to contact the private facility to query why Ms V wasn't fit to fly and why the surgery was required. UKI were considering options for repatriation, which included alternatives to flying. I think that was reasonable in the specific circumstances of this case.

Ms V explained that she was experiencing reoccurring heavy bleeding and was very anaemic. Whilst I have a lot of empathy with what Ms V has said I don't think this automatically means that immediate surgery was medically necessary. UKI were considering alternative ways to repatriate Ms V which would have potentially allowed her to manage these symptoms if she wasn't well enough to fly.

On balance, I'm persuaded that UKI has given a reasonable explanation for their decision that the procedure wasn't essential and couldn't have reasonably waited until Ms V's return. For example, their medical team concluded that Ms V wasn't losing blood to the extent that she was directed to the accident and emergency department or that immediate surgery was carried out. UKI is entitled to rely on the medical team's opinion, and I think they've reasonably explained their rationale for concluding the surgery wasn't an emergency or that it couldn't wait until Ms V had returned to the UK. In reaching that opinion I'm satisfied they considered the treating doctor's opinion, and the available medical evidence. So, based on the available evidence, I think UKI acted reasonably.

I've considered a more recent medical report Ms V has provided. It says that Ms V wasn't fit to travel by any method of transportation due to severe pain and unpredictable bleeding which had caused her to become severely anaemic. As I've outlined above, I'm persuaded that UKI has given a reasonable explanation for their decision to take a different view from the treating doctor. And, in any event, this information was provided in December 2023, after Ms V's complaint was referred to the Financial Ombudsman Service. So, it's not something that UKI was able to consider at the relevant time and it's not changed my thoughts about the overall outcome of the complaint.

UKI hadn't confirmed to Ms V that they'd cover the surgery when it took place. Their enquiries were still ongoing at that point as they were awaiting more information from the treating facility and information about her medical history. So, whilst I understand why she went ahead with the surgery, I think she ought reasonably to have been aware there was a risk it wouldn't be covered.

Customer service in relation to the medical bill

UKI accepts that for around a year they gave Ms V the impression that her bills would be covered, despite having told her verbally that the procedure wouldn't be covered.

Ms V says that if she'd known this sooner, she'd have been able to start a repayment plan with the hospital rather than use her savings and credit card. She says she's been unable to pay off the debts incurred and has provided evidence that she could have entered into a repayment plan with the hospital directly but that this was no longer possible. She said that due to the interest rate she could no longer get a loan.

I've considered Ms V's representations very carefully on this point. Mistakes were made by UKI and I agree the service fell below a reasonable standard. UKI said they'd arrange for payment to be made and also issued an unclear guarantee of payment which gave Ms V the impression that her bills would be covered.

But I also bear in mind that Ms V had been told verbally that cover wasn't agreed before the

surgery took place and she didn't receive the guarantee of payment until after the surgery. She was also told verbally, after the surgery, that it wouldn't be covered. So, I think she was aware there was a significant risk that she'd need to finance the surgery herself both before and after the surgery took place.

As I've concluded that UKI reasonably declined the claim this was a cost Ms V was always, ultimately, going to have to cover. I appreciate that she may have preferred to undertake a repayment plan, but I've not been provided with much detail about what the terms of that would have been or if they'd have been more, or less, favourable than the arrangements she's now undertaken to make the payment.

Based on the evidence that's available, I don't think I can fairly conclude that UKI should be responsible for any financial detriment Ms V incurred as a result of having to pay for the surgery using credit facilities. For example, even if she'd been able to enter into a repayment plan this may have put pressure on her overall finances.

I acknowledge that she has incurred a loss of expectation and that she's been caused inconvenience by not being able to accept the arrangement that she would have preferred. But I'm not persuaded, on balance, that it is fair and reasonable for UKI to make any further payment to Ms V.

I think the overall compensation of £600 fairly reflects that Ms V had an expectation that UKI would cover the costs and that she has been inconvenienced as a result. That includes the inconvenience of losing the opportunity to enter into a repayment plan. In reaching that conclusion I've thought carefully about what Ms V has said about the impact on her mental wellbeing and her financial situation. But I think £600 reflects that this issue caused her distress and inconvenience over a number of months and the longer-term impact on her. I don't think UKI needs to do anything further, in the circumstances of this case, to put things right.

My final decision

I'm not upholding this complaint as I think the compensation U K Insurance Limited has paid is fair and reasonable.

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

Anna Wilshaw
Ombudsman