

## **The complaint**

Mr and Mrs A complain about how AWP P&C SA dealt with a claim against their travel insurance policy. Reference to AWP includes its agents.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, Mr and Mrs A have travel insurance as a benefit of a bank account. They booked a trip with departure and return dates of 18 January 2023 and 20 March 2023 respectively. Unfortunately, Mr A became unwell whilst on the trip and he sought medical treatment. He was in hospital overseas from 22 January 2023 to 25 January 2023, then Mr and Mrs A isolated in their apartment, as instructed by a nurse at the treating hospital.

Mrs A contacted AWP when Mr A was in the hospital overseas. AWP's notes suggest that Mr and Mrs A submitted documents in support of their claim in May 2023. In July 2023, AWP settled Mr and Mrs A's claim on payment of £2,527.04 for reimbursement of medical costs and medication. It also paid Mr A compensation of £250 in relation to service issues. In August 2023, it sent Mr A payment of £151.86 for three days medical confinement benefit and reimbursement of some medication costs.

Mr and Mrs A say that AWP hasn't calculated the payment in relation to medical confinement benefit correctly. They say that after Mr A was discharged from hospital, he was required to isolate. Mr and Mrs A also say that AWP's settlement of their claim doesn't include reimbursement of the non-sterling transaction fees charged by their credit card provider and the cost of the medical report from Mr A's doctor in the UK. They want their claim settled in full.

One of our investigators looked at what had happened. He didn't think that AWP had treated Mr and Mrs A fairly in settling the claim. The investigator said that Mr A was in hospital from 22 January 2023 and instructed to isolate until 29 January 2023, so AWP should pay him the medical confinement benefit of £50 a day for seven days. He said that AWP had already paid Mr A £150 for medical confinement benefit, so AWP should pay a further £200.

The investigator said that the policy doesn't cover non-sterling transaction fees, so he didn't think that AWP acted unfairly in declining that part of the claim. He said that AWP said it had reimbursed Mr A £30 in relation to the cost of a medical report, but he could find no evidence it had done so. The investigator said that AWP should also reimburse that amount.

The investigator thought that the compensation of £250 AWP had already paid in relation to service issues was fair and reasonable in this case.

AWP said that it accepted the investigator's recommendations. It asked whether Mr A was able to provide a receipt in relation to payment to his GP for a medical report.

Mr A asked why AWP required a receipt as it said that it had already reimbursed him for that item. He didn't accept what the investigator said about reimbursement of non-sterling transaction fees. Mr A said that it was unfair of AWP not to reimburse these fees as it didn't engage with the overseas hospital, most credit card providers make these charges and there's no way to avoid them except by taking considerable amounts of cash on a trip.

Mr A asked that an ombudsman consider the complaint, so it was passed to me to decide.

### **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 guidance say that AWP has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I uphold Mr and Mrs A's complaint in part and I'll explain why:

- Insurance policies aren't designed to cover every eventuality or situation or every expense that arises out of an insured event. An insurer will decide what it's willing to cover and set that out in the terms and conditions of the policy document. In general terms, insurers can decide what they wish to cover.
- I agree with the investigator that AWP hasn't paid Mr A all that's due to him in relation to the medical confinement benefit. It's now agreed that AWP will pay the remaining £200 due to Mr A in relation to the medical confinement benefit.
- AWP has also agreed to reimburse Mr A £30 for the cost of a medical report. Whilst AWP is entitled to ask Mr A to provide receipts, in the particular circumstances here I don't think it's reasonable at this late stage for AWP to ask Mr A to provide a receipt in relation to payment to his GP. That's because AWP said that it had already reimbursed Mr A for this payment, so I assume that it had previously satisfied itself about this element of the claim.
- I note what Mr A says about the non-sterling transaction fees but that's not something that's covered by the policy. The policy covers certain expenses and pays certain benefits following illness whilst on a trip but that doesn't include reimbursement of non-sterling transaction fees.
- AWP isn't obliged to pay the treating hospital direct. It's quite usual for an individual to pay the medical and related costs and claim them later, which is what happened here.
- In any event, general exclusion 15 in the policy excludes claims for any additional expenses not covered under the policy. Non-sterling transaction fees aren't covered under the policy. I don't think it's unfair for AWP to decline this part of Mr and Mrs A's claim.
- I note that AWP has already paid Mr and Mrs A compensation of £250 in relation to service issues. I think that's fair and reasonable, so I don't direct it to pay any more in relation to Mr and Mrs A's distress and inconvenience.

### **Putting things right**

In order to put things right, AWP should pay Mr and Mrs A:

- The remaining £200 in relation to the medical confinement benefit.
- Reimbursement of £30 in relation to the UK medical report.
- Interest on the two amounts mentioned above at the simple rate of 8% per year, from the date of the claim to the date of payment.

### **My final decision**

My final decision is that I uphold this complaint in part. AWP P&C SA should now take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr A to accept or reject my decision before 28 February 2024.

Louise Povey

**Ombudsman**