

The complaint

Mr A and Miss T complain about the way that American International Group UK Limited (AIG) has handled a medical expenses claim they made on a travel insurance policy.

All references to AIG include the actions of the agents acting on its behalf.

What happened

The circumstances of this complaint are well-known to both parties. So I've simply set out a summary of what I consider to be the key events.

Mr A and Miss T were abroad on holiday and were due to fly back to the UK on 14 August 2022. Unfortunately, they became unwell and so they got in touch with AIG's medical assistance team. A doctor visited Mr A and Miss T at their hotel and concluded that they weren't fit to fly back to the UK as planned. AIG therefore agreed that the cost of extending Mr A and Miss T's trip would be covered under the policy terms.

A few days later, AIG arranged for a different doctor to visit Mr A and Miss T at their hotel to check whether they were fit to fly. While the doctor considered Mr A and Miss T well enough to travel, Mr A and Miss T didn't feel the doctor had carried out a proper assessment of their condition. So AIG arranged for another doctor to visit Mr A and Miss T. Ultimately, AIG organised - and covered the cost of - Mr A and Miss T's return to the UK.

In early November 2022, Mr A and Miss T contacted AIG because they were having difficulty submitting both a medical expenses claim and a baggage delay claim online. The documents were subsequently submitted by email and AIG assessed the claim. It let Mr A and Miss T know it needed some further information before it could accept and pay the claims they made.

Subsequently, on 16 November 2022, AIG settled the costs of Mr A and Miss T's medical expenses. Mr A and Miss T considered some payments were missing and so in January 2023, further payments were made for their medical consultations.

Mr A and Miss T were unhappy with the way AIG had handled their claim. They felt the doctor the assistance team had arranged to examine their fitness to fly hadn't assessed them properly. They considered there'd been unreasonable delays in the handling of their claim and they considered they'd received poor service from AIG.

AIG acknowledged that there had been some service failings in the way it had handled the claim. Namely, it accepted that the difficulties Mr A and Miss T had faced when trying to submit online claim forms would have been frustrating for them. It also accepted it hadn't dealt with calls as well as it could have done and had delayed in calling Mr A and Miss T back when it ought to have done. So it offered them £200 compensation.

But AIG said that it was waiting for further information in order to assess the remainder of Mr A and Miss T's claim. And it was satisfied that by sending another doctor to assess Mr A and Miss T's fitness to fly, it had fairly resolved their concerns about the doctor who'd visited

them.

Remaining unhappy with AIG's position, Mr A and Miss T asked us to look into their complaint.

Our investigator thought AIG had already made a fair offer to resolve Mr A and Miss T's complaint. She felt £200 compensation was enough to reflect the impact of AIG's claims handling failings on Mr A and Miss T. She explained that she couldn't consider any issues which had arisen after the date AIG issued its final response to Mr A and Miss T's complaint and that they'd need to make a new complaint about some of the things Mr A and Miss T were now unhappy with.

Mr A and Miss T disagreed. They felt AIG hadn't followed-up on their baggage claim; they said they'd been promised reimbursement of fees which AIG had subsequently refused to pay and they also said that AIG had refused to allow them to escalate their complaint.

The complaint's been 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.

Having done so, whilst I'm sorry to disappoint Mr A and Miss T, I think AIG has already made a fair offer to settle their complaint and I'll explain why.

First, I'd like to reassure Mr A and Miss T that while I've summarised the background to their complaint and their submissions to us, I've carefully considered all that's been said and sent. In this decision though, I haven't commented on each point that's been raised and nor do our rules require me to. Instead, I've focused on what I think are the key issues.

It's also important that I make the parameters of this decision clear. As the investigator explained, we are only able to consider complaint points which have already been made to AIG and which it's had an opportunity to look into and respond to. Mr A and Miss T brought their complaint to us following AIG's final complaint response letter of 23 February 2023. So my decision concerns the complaint points AIG addressed within that final response.

I appreciate Mr A and Miss T are unhappy AIG's handling of the claim after its final response letter was issued – in particular, with the way their baggage claim has been handled; the settlement amounts they've been paid and because they say AIG now refuses to pay amounts it had previously agreed to pay. But I agree with our investigator that Mr A and Miss T will need to make a new complaint to AIG about those particular issues before we're potentially able to look into them.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of this policy and the circumstances of this claim, to decide whether I think AIG treated Mr A and Miss T fairly. I'll deal with Mr A and Miss T's broad complaint points in turn.

The support provided by the medical assistance team

I've looked carefully at the medical assistance team's claims notes, which set out the support provided by the team while Mr A and Miss T were abroad. I understand this must have been a worrying time for Mr A and Miss T because they were unwell with ongoing symptoms over a number of days. But the notes show that upon notification of Mr A and Miss T's illness, AIG

quickly authorised for them to remain abroad and extended their hotel stay. It organised doctors to visit Mr A and Miss T at their hotel so that their condition could be assessed. And when Mr A and Miss T expressed concerns about the conduct of one of those doctors, I think AIG acted promptly and reasonably by arranging for another doctor to visit them. I think this shows AIG took Mr A and Miss T's worries on board. Nor do I think I can fairly hold AIG responsible for the opinion of an independent doctor. And I've seen no evidence to suggest that it wasn't reasonable for AIG to rely on the second doctor's findings as to Mr A and Miss T's fitness to fly and to accordingly arrange their return travel. The evidence indicates too that the assistance team took quick and appropriate steps to arrange Mr A and Miss T's repatriation back to the UK once they'd been declared fit to fly.

On balance, I haven't seen enough evidence to persuade me that, overall, the medical assistance team treated Mr A and Miss T unfairly or unreasonably.

Did AIG handle the claim fairly?

Mr A and Miss T have provided evidence to show that they experienced difficulties in submitting both the medical expenses and baggage claims online. Instead, they had to contact AIG and submit the claims in a different way. I don't doubt that this caused Mr A and Miss T some frustration and upset.

I'm mindful though that Mr A and Miss T didn't submit their claim until 4 November 2022 – two and a half months after they'd returned from the UK. This delay doesn't appear to have been caused by any action on the part of AIG. And once AIG had some of the evidence it had requested to support the claim, it made its first settlement for medical expenses on 16 November 2022. I don't consider this to be an unreasonable delay in the part settlement of the claim.

It's clear that following the initial payment, Mr A and Miss T contacted AIG because they said some payments were missing. They called AIG again at the end of November 2022 and they chased this up in December 2022, requesting manager call backs. They called twice again in mid-January 2023. While AIG did go on to make further settlement for Mr A and Miss T's medical consultations on 20 January 2023, it acknowledges that it didn't call Mr A and Miss T back between November 2022 and 20 January 2023, despite clear requests for call backs to be made. In my view, this was a clear failing on AIG's part which I think did cause Mr A and Miss T some unnecessary, avoidable trouble and upset.

Taken together with the difficulties Mr A and Miss T faced when they tried to make their claim online, I appreciate they were put to some distress and inconvenience over and above the general inconvenience of making a travel insurance claim. So I too think it's appropriate for AIG to pay Mr A and Miss T compensation to reflect this. And I'm satisfied that a total of £200 compensation is a fair, reasonable and proportionate award to reflect the material trouble and frustration I think Mr A and Miss T were caused when they couldn't make the claim online and when they didn't receive a call back or meaningful update over a two-month period. As such, I think AIG's offer to pay Mr A and Miss T £200 compensation is fair in all of the circumstances.

In its final response letter, AIG said it was waiting for further evidence before it could assess the remaining parts of Mr A and Miss T's medical claim and before it could consider their baggage claim. AIG has explained that it needs evidence to show when the additional hotel costs were incurred. It isn't clear if Mr A and Miss T have now provided this information and if AIG has now made a claims decision. And it said it hadn't received the evidence it needed in support of Mr A and Miss T's baggage claim. I don't think this was an unreasonable position for AIG to take, based on the evidence available to it at the time it issued its final response. As I've explained above, if Mr A and Miss T are unhappy with any further

assessment or settlement of their claims, they'll need to raise this directly with AIG.

Did AIG prevent Mr A and Miss T from escalating their complaint?

Mr A and Miss T feel strongly that AIG prevented them from making a complaint. I should make it clear that complaint handling isn't a regulated activity we can consider in and of itself. But I can see from the claims notes that AIG registered a complaint about its handling of the claim on 1 December 2022, which was acknowledged on 13 January 2023. AIG issued its final response on 23 February 2023. I accept that AIG didn't acknowledge Mr A and Miss T's complaint within the regulator's timescales or issue its final response letter within eight weeks of 1 December 2022. But in the round, I don't think there's enough evidence to indicate that AIG sought to prevent Mr A and Miss T from making a complaint nor that it prevented them from asking our service to look into things. And I'm satisfied that the compensation AIG has already offered to reflect the overall failings in its handling of this claim is sufficient to put things right.

In the round then, I'm satisfied that AIG has already made a fair offer of compensation and I'm not telling it to pay anything more.

My final decision

For the reasons I've given above, my final decision is that AIG has already made a fair offer to settle this complaint.

I direct American International Group UK Limited to pay Mr A and Miss T total compensation of £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Miss T to accept or reject my decision before 2 April 2024.

Lisa Barham
Ombudsman