

The complaint

Mr O and Ms T complain that AWP P&C SA failed to update their address details for their travel insurance policy. This caused them to suffer financial loss and inconvenience.

As Mr O brought this complaint to us, for ease, I've referred mainly to him.

What happened

Mr O and Ms T are covered by a travel insurance policy which forms one of the benefits of a packaged bank account.

In May 2023, Mr O's bank asked AWP to update his address details, as Mr O had moved. The address change wasn't actioned. It seems Mr O also got in touch with AWP.

However, AWP didn't change Mr O's address. Mr O and Ms T wanted to obtain a visa ahead of a planned holiday and, in August 2023, they visited the embassy of their destination country. But their visa request was declined because their current address didn't match the address given on their travel insurance documentation.

So a second visit had to be arranged for September 2023. But as AWP still hadn't updated Mr O's address by the time of the second visit, he and Ms T had to take out new policies through the embassy at an additional cost. Mr O says he had to borrow the money for the policies from a colleague.

Mr O contacted AWP to complain about its failure to update his address on a number of occasions. He was promised call-backs which didn't materialise. He sent AWP evidence of the additional costs he incurred. In November 2023, AWP agreed to review and refund Mr O's costs and pay him £100 compensation.

However, Mr O continued to hear nothing more from AWP and so he asked us to look into his complaint.

AWP subsequently paid Mr O a total of £726 compensation, representing the cost of the additional insurance policies he purchased and to reflect his distress and inconvenience.

Our investigator thought AWP should have updated Mr O's address details much sooner than it had. And he thought this had caused Mr O both a financial loss in the form of the new policies and some trouble and upset. But he thought the total amount of £726 which AWP had subsequently paid Mr O and Ms T was a fair and reasonable award to reflect the impact of its actions on them.

Mr O disagreed. In summary, he didn't feel the compensation awarded reflected the impact of AWP's actions on him and Ms T. He said the award didn't take into account the interest he'd have been charged if he'd had to borrow the money for the new policies from the bank. He said his colleague had demanded interest on the amount he'd borrowed. Nor did he feel the compensation took into account the emotional and psychological distress the matter had caused him and Ms T.

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 O and Ms T, I think AWP has now paid them fair compensation and I'll explain why.

The relevant regulator's rules say that financial businesses must pay due regard to the interests of their customers and treat them fairly. I've taken these principles into account, amongst other relevant considerations, when deciding whether I think AWP has now settled Mr O's complaint fairly.

AWP accepts it made mistakes in its administration of Mr O's policy. It acknowledges that it was initially asked to change Mr O's address details in May 2023. But it didn't do so. And it didn't ultimately update Mr O's address until September 2023. As a result of its failure to correctly update its records, not only did Mr O have to schedule a second embassy appointment, he and Ms T then had to take out travel insurance policies at a significant additional cost. Mr O says he had to borrow money from a friend to cover the price of the separate policies.

It appears that if AWP had updated its records when it ought to have done, Mr O's visa could have been approved at his first embassy appointment. And as he had travel cover with AWP through his bank account, which also covered Ms T, there's nothing to suggest that he would have needed to take out additional cover. It's clear then that not only were Mr O and Ms T put to significant, unnecessary inconvenience in having to visit the embassy on more than one occasion, Mr O also incurred an unnecessary financial loss.

So I think it was fair and appropriate for AWP to pay Mr O and Ms T a compensation award which took into account the cost of the new policies they had to purchase. I appreciate Mr O feels the award should also include interest, as he says that he'd have had to pay interest if he'd taken a bank loan to obtain the money. And he says his colleague demanded the payment of interest on the amount he'd borrowed. However, Mr O *didn't* borrow money from a bank. And he hasn't provided us or AWP with any evidence to show he had to pay interest on the amount he borrowed from his colleague or at what interest rate. So I don't think I could fairly or reasonably direct AWP to pay Mr O interest in these circumstances.

It's clear too that even after Mr O complained to AWP, there were further errors in the way it dealt with his concerns. Mr O had to chase AWP up for updates and he didn't receive call backs he'd been promised. And even after AWP sent Mr O a final response letter in November 2023, it still failed to review his costs as it had promised or pay him the initial £100 compensation it had offered in a timely way.

Again, I don't doubt that these mistakes were frustrating and upsetting to Mr O and Ms T. Mr O was put to more time and trouble in chasing things up and he remained out of pocket for his costs for some time longer than I think he should have been. It seems AWP didn't respond to Mr O's further concerns until 24 January 2024 – over two months after it had issued its final response letter. So I think it was reasonable and right that AWP should increase the compensation it paid him to reflect the further inconvenience and upset he and Ms T had been caused by AWP's ongoing delays in resolving things.

AWP has now paid Mr O and Ms T a total award of £726 – which represents the cost of the new policies and compensation for their trouble and upset. I appreciate Mr O doesn't think

this award is high enough to reflect the impact of AWP's mistakes on him and Ms T. I've considered this carefully. I must make it clear that our awards aren't designed to fine or punish the businesses we cover. Instead, I've thought about what I believe to be a fair, reasonable and proportionate award to take into account the likely effect of AWP's errors on Mr O and Ms T. In my view, AWP has now adequately compensated them for the additional financial losses they've evidenced. And I think the compensation AWP has now paid fairly and reasonably recognises the modest inconvenience and trouble I consider Mr O and Ms T were put to in visiting the embassy for a second time and in chasing things up with AWP. So this means I'm not directing AWP to pay anything more and I'm satisfied it has now settled Mr O and Ms T's complaint fairly in all the circumstances.

My final decision

For the reasons I've given above, my final decision is that AWP P&C SA made errors in its administration of Mr O's policy but that it has now paid him and Ms T fair compensation to put things right. So I'm not telling it to pay them anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Ms T to accept or reject my decision before 14 May 2024.

Lisa Barham
Ombudsman