

The complaint

Mr and Mrs M complain about the way Insure & Go Insurance Services Ltd (I&G) has administered their travel insurance policy.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the main events.

In August 2022, Mr and Mrs M took out an annual multi-trip travel insurance policy – which provided them with European cover – over the phone through I&G. During the sales process, Mrs M declared that she'd been treated for cancer, along with two other medical conditions. I&G provided Mr and Mrs M with a quote, which they accepted. Cover under the policy began.

Subsequently, on 22 December 2022, Mrs M got back in touch with I&G as she wanted to upgrade the policy to worldwide cover. That's because she and Mr M intended to take a trip to a country I'll call J. During the call, Mrs M noted that there'd been an error made when I&G had previously input information about the cancer treatment she'd been receiving. I&G carried out a medical rescreening and it offered Mr and Mrs M the chance to either upgrade their policy or take out single trip cover.

Mrs M got back in touch with I&G again to upgrade to worldwide cover. She was asked additional medical questions and disclosed two further medical conditions. This put the price up again. Ultimately, Mr and Mrs M paid around an additional £817 for cover. But no amendment was made to the cover area.

When the policy documents were sent out, Mr and Mrs M noted that the policy still only provided European cover. So they complained to I&G. They were offered the chance to pay a further additional premium for worldwide cover. But Mr and Mrs M chose to cancel the policy and obtain a full refund of premium. And I&G offered them £50 compensation.

Mr and Mrs M were unhappy with I&G's position and they asked us to look into their complaint.

Our investigator thought I&G had already settled Mr and Mrs M's complaint fairly. In brief, she acknowledged that I&G's call handler had made an error in August 2022 when they first input information about Mrs M's medical condition. And she acknowledged that this had caused Mr and Mrs M some trouble and upset. But she also felt that it had been fair for I&G to ask Mr and Mrs M further medical questions which had elicited different information and further medical conditions were disclosed. So she thought it had been reasonable for I&G to charge an additional premium. She felt I&G's refund of premium together with its offer to pay £50 compensation was fair and reasonable in all the circumstances.

I issued a provisional decision on 30 April 2024, which explained why I thought I&G should pay Mr and Mrs M total compensation of £200, together with interest on the premium refund. I said:

'First, it's important I explain our role. We're not the industry regulator and we're not a consumer champion. Our role isn't to fine or punish the financial businesses we cover. We are independent and impartial of both parties. We consider the evidence and circumstances of each individual complaint to decide whether we think a financial business has done something wrong which has caused a consumer to lose out. And if so, what we think fair compensation should be to reflect the impact of that error on a consumer.'

Based on what I know about I&G's sales process, I don't think I&G advised Mr and Mrs M to take out the policy. I'm not persuaded that in August 2022, the call handler carried out an assessment of Mr and Mrs M's demands and needs or provided them with a tailored recommendation. So I don't think I&G needed to check the policy was right for Mr and Mrs M. But it did need to give them enough clear, fair and not misleading information about the policy so that they could decide if it was right for them. And the regulator's principles require a financial business to conduct business with due care, skill and diligence. I've taken these rules and principles into account, amongst other things, when deciding whether I think I&G has offered to settle Mr and Mrs M's complaint fairly.

The initial sale

Both parties accept that when Mr and Mrs M first took out the annual European policy, I&G's call handler incorrectly recorded information about the treatment Mrs M underwent for cancer. This was a clear mistake, which meant the price Mr and Mrs M paid for their policy was less than it should have been. I&G acknowledges it made this mistake and that this was down to its call handler.

I do note that at the time the policy was taken out, Mr and Mrs M hadn't booked a trip to J and nor had they taken out a policy which would cover them to do so. They'd taken out European cover. While they may have intended to later upgrade to worldwide cover, I don't think I could fairly find that they only booked planned worldwide cover based on the information they were given during this call. And it seems that I&G met its regulatory obligation to send Mr and Mrs M post-sale policy documentation, which set out the details of cover.

Mr and Mrs M also told I&G that they travelled on the policy on two occasions, so I'm satisfied it was of use to them, even if it didn't provide full medical cover. Luckily, Mr and Mrs M didn't need to make a claim while they were on holiday. But I&G says had they needed to do so, it would have covered any costs Mr and Mrs M incurred as a result of its error.

Further calls

In December 2022, Mr and Mrs M got back in touch with I&G to upgrade the policy to worldwide cover. It's at this point that Mrs M noted the error with the medical screening and so further medical screenings were undertaken. Having listened to the calls, I don't think it was unfair for I&G to say that during each further call, Mrs M provided slightly different information to its medical screening questions about her cancer. And that she went on to declare two further conditions. This impacted on the price of the policy. In my view, I&G asked Mrs M relevant screening questions during further calls and it met its regulatory obligations in this regard. Given the underwriter considered there was an increased risk of claim following the change in Mrs M's screening answers, the premium was accordingly adjusted.

However, having listened to the calls of 29 December 2022, I do think Mr and Mrs M clearly explained to the call handler what had happened previously and that they were looking to upgrade to worldwide cover. They mentioned the difficulties they'd had with I&G on more than one occasion and they referenced their planned trip to J. So I think the call handler

should have been aware that Mr and Mrs M wanted to upgrade their cover level - not just simply make an amendment to the medical screening. It's clear this didn't happen. The call handler simply focused on the medical questions.

I appreciate the call handler did state that the policy still provided European cover and that other than the medical changes that had been made, there were no other changes. But based on the discussions Mr and Mrs M had had with the call handler during the call and given the additional premium they agreed to pay, I think they were reasonably entitled to think that the policy had been amended to include worldwide cover. And I don't doubt how frustrating it must have been when they learned that, in fact, the upgrade had simply been for medical purposes. I find this caused them further trouble and upset on top of the distress and inconvenience they were caused by the initial mistake.

Policy cancellation

Mr and Mrs M say that I&G abruptly cancelled the policy. But having listened to the call between Mrs M and I&G's complaint handler, it's clear that Mrs M opted to cancel the policy and receive a full refund of premium. I&G did provide a quote for the cost of upgrading the policy to worldwide cover during the call. But Mr and Mrs M chose not to do so. Instead, they made a decision to cancel their contract and receive a full refund of premium. I don't think I could fairly say then that I&G abruptly cancelled the policy. Nonetheless, I do think I&G should have added interest to the refund amount, at an annual rate of 8% simple, to reflect the time Mr and Mrs M were without access to this money. So I'm planning to direct I&G to pay Mr and Mrs M interest on the total refund amount at an annual rate of 8% simple from the date the policy was taken out until the date of settlement.

Fair compensation

I&G has offered Mr and Mrs M £50 compensation to reflect the impact of its initial mistake. But I don't think this goes far enough. In my view, I&G's call handler failed to understand that Mr and Mrs M wanted to obtain worldwide cover and didn't sufficiently clarify what they wanted. This led to Mr and Mrs M suffering further inconvenience and frustration when they learned that they still didn't have a policy that covered their holiday. In my view, this was avoidable. I'm mindful too that Mr and Mrs M spent some time on the phone dealing with the issues that flowed from the initial mistake. So I don't think £50 is sufficient to reflect the impact of I&G's errors on Mr and Mrs M.

Mr and Mrs M say they wouldn't have booked the holiday to J if they'd known how much cover would cost. I've thought about this carefully. But I don't think there's enough persuasive evidence to show this was the case. I say that because Mr and Mrs M told I&G that they wanted to go to J and also because they didn't initially take out worldwide cover. So I don't think the price of insurance necessarily drove their choice to book the holiday to J.

Nevertheless, in my view, I&G should pay Mr and Mrs M an increased award of compensation to reflect what I think is the likely effect of its errors on them. And I currently think that a total payment of £200 compensation is fair and reasonable in all the circumstances.'

I asked both parties to send me any further evidence or comments they wanted me to consider.

Mr and Mrs M said that, in general, they agreed with my interpretation of the evidence, but they wanted me to take into account further points, which I've summarised below:

- *The cost of the policy increased for several reasons;*

- Mrs M was told that if worldwide cover wasn't needed immediately, it was more cost effective to add it later;
- Luckily, they didn't have to make any claims when they travelled, but although I&G had said any claims would have been met, this would have been the underwriter's decision, not I&G's;
- They still felt I&G was getting off lightly. The award I had proposed was pennies to I&G and I hadn't referenced the need for sufficient training or customer care;
- It was disappointing that I&G hadn't provided copies of all the calls Mr and Mrs M had had with it, as I might have been more sympathetic to their situation;
- Their main purpose in pursuing this complaint was to prevent similar experiences for other customers. They felt companies like I&G should be made accountable for their mistakes and they didn't feel this was happening.

I&G questioned which date would apply for the payment of interest. It said it couldn't make a decision without this information. Despite our clarification that interest would be payable from the date of policy purchase until the date it had refunded the premium, I&G made no further submissions and the deadline for response has now expired. So I let I&G know that I would be issuing my 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.

Having done so, I still think the fair and reasonable outcome to this complaint is for I&G to pay Mr and Mrs M total compensation of £200, together with interest on their premium and I'll explain why.

As I explained in my provisional decision, this service isn't the industry regulator. We can't fine or punish the businesses we cover. Nor can we tell them to change their processes or procedures. So I can't tell I&G to provide more training. Instead, I've considered the specific circumstances of Mr and Mrs M's individual complaint to decide whether I think I&G has done something wrong which has caused them to lose out or to suffer material trouble and upset.

I appreciate Mr and Mrs M say they were told to upgrade to worldwide cover at a later date to keep the policy premium lower. However, while I've borne this in mind, for the reasons I've already given in my provisional findings, I still don't think I could fairly or reasonably find that they only booked the trip to J on this basis. Instead, I think it's most likely they'd have booked a trip to J irrespective of any information they might have been given.

Mr and Mrs M correctly say that I&G isn't the policy underwriter and that therefore, it wouldn't have been responsible for any claims decision the underwriter might have made in the event they'd needed to make a claim. I can't comment with certainty on hypothetical situations. But given I&G acknowledges the error in Mrs M's medical information was down to its mistake, it does seem most likely that it would have covered any financial losses Mr and Mrs M may have suffered if the underwriter had turned down any claim because of its error.

I understand Mr and Mrs M don't feel the award I proposed goes far enough. Based on the evidence I've seen though; I still consider I've reached a fair and reasonable outcome which takes into account the trouble and upset I think they were caused by I&G's errors.

Overall then, as I set out in my provisional decision, I find that the fair outcome to this complaint is for I&G to pay Mr and Mrs M total compensation of £200 representing the trouble and upset its errors caused them. And I also find that I&G must pay interest at an annual rate of 8% simple on the premium they paid for the policy from the date of purchase until the date it refunded the premium.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I uphold this complaint.

I direct Insurance & Go Insurance Services Limited to:

- Pay interest on the total premium refund amount at an annual rate of 8% simple, from the date the policy was purchased until the date it was refunded*; and
- Pay Mr and Mrs M a total of £200 compensation (including the £50 it's already offered).

*If I&G considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs M how much it's taken off. It should also give Mr and Mrs M a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 26 June 2024.

Lisa Barham
Ombudsman