

The complaint

Mr W complains Astrenska Insurance Limited unfairly settled his claim and made an error when making the payment to his bank account.

What happened

Mr W travelled on holiday abroad in June 2023 to a country I will refer to as 'S'. While he was away, he had several items stolen including cash. He held a single trip travel insurance policy underwritten by Astrenska and made a claim for his losses.

Astrenska settled the claim and said it could only cover up to £500 of the cash Mr W had stolen, as this was the limit of cover within the policy. Mr W disagrees that this is correct limit which should be applied to his claim.

Astrenska paid the settlement amount electronically. However, Mr S had changed his bank account and previously informed Astrenska of this by email. The money was returned to Astrenska by the bank, and it sent the payment again to Mr W's new bank account.

Mr W complained. He said he was unhappy that he had to wait longer for the payment and had to make additional contact with Astrenska to resolve things.

Astrenska apologised for what had happened with the first settlement payment. It said the email Mr W sent providing his new bank details didn't contain any claim reference number. And as Mr W had another claim open, it had connected his email to that claim, but not this one relating to his holiday to 'S'. Astrenska said when it re-sent the payment, it increased the settlement for the lost cash from £500 to £750.

Unhappy with the response, Mr W brought his complaint to this service.

An investigator here looked into what had happened and said they thought Astrenska had settled the claim fairly. And they thought the apology Astrenska had offered Mr W was enough to put right the issues with the settlement payment.

Astrenska made no comment on the investigator's view. However Mr W disagreed. In summary he said he thought Astrenska had been grossly negligent and had acted maliciously towards him. He said he informed the insurer of his change of bank account and thought they had been incompetent. And he said he thought he should be compensated for his time, distress and anxiety.

As Mr W disagreed and asked for a decision from an ombudsman, the case was been passed to me to decide. I didn't think Astrenska had done enough to put things right. So I wrote to both parties outlining my thinking.

I said I thought Mr W had provided his new bank details in good time. And if Astrenska was unclear as to which claim the bank details applied to, it could have asked Mr W for his claim reference number, which could have avoided settlement going to the wrong account.

And I thought Astrenska originally applied the wrong limit to the claim for lost cash, as Mr W evidenced he'd used the Post Office Travel Money service, so the higher limit of £750 applied. I said I was minded to award £100 in compensation because Mr W had to wait around a month more than was necessary to receive his settlement payment. And he sent two additional emails and made a call to Astrenska to get the issue resolved.

Astrenska confirmed it had nothing to add. Mr W said he accepted what I'd said. But he'd also had to pay for a return taxi trip to the bank to find out if the money had been received into his account.

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.

And I've looked at the relevant rules and industry guidelines, which say Astrenska has a responsibility to handle claims promptly and fairly and shouldn't reject a claim unreasonably.

Firstly I should clarify that Mr W has brought another complaint to this service about delays in handling this claim prior to the settlement. This has been covered under a separate complaint, so I won't be commenting any further on those delays in this decision. This complaint relates to the issues Mr W experienced when his claim relating to his trip to 'S' was being settled.

Settlement of the claim for lost or stolen money

Mr W's claim included items other than cash. However the settlement paid for those does not appear to be in dispute. So I've focused on the settlement for the cash.

Mr W took out the premier policy which provides cover for personal money up to £500. However the policy also contains the following condition; "*Premier cover only – personal money increases to £750 if you have purchased travel currency through the Post Office (including the Travel Money Card) Proof of purchase will be required in the event of a claim*".

So I'm satisfied the cover limit for personal money is £500, unless Mr W provided evidence that he had purchased travel currency through The Post Office. I've seen a copy of an email Mr W received from The Post Office confirming an order of currency to the value of £750.07, to be delivered to him shortly before his holiday in June. This persuades me that Mr W's claim met the condition for the higher policy limit of £750 to be applied to his claim.

Delays in Mr W receiving the settlement payment

Astrenska paid the settlement to Mr W's previous bank account on 22 December 2023. Astrenska received an email from Mr W in early November 2023, informing it of his new bank details. I think Mr W gave Astrenska adequate advanced warning of his change of details, so I think it's reasonable to expect that the payment would have been made to his new account.

Astrenska said it applied the new bank details to another of Mr W's claims, but not this claim. It's said that was because Mr W didn't provide any claim reference numbers within his email. However I think Astrenska could have done more to avoid the error by responding to Mr W's email in November 2023, and asking him to provide his claim reference number. Had it done so, I think the delay in Mr W receiving the settlement payment and the associated inconvenience to him could have been avoided.

Putting things right

Astrenska paid the correct settlement amount to Mr W's new bank account on 17 January 2024 – this included the higher cover limit for the lost cash. However the full amount could have been paid to Mr W's correct account on 22 December 2023, had Astrenska not made any errors.

Astrenska has apologised to Mr W. However I don't think this is enough to put things right. Mr W had to wait almost an extra month to receive his settlement payment due to the error. And he sent two additional emails and made a call to Astrenska to get the issue resolved. I've seen nothing which persuades me that Astrenska acted maliciously as Mr W has said; based on what I've seen I think these were administrative errors. However, I accept this caused Mr W worry and inconvenience. And in the particular circumstances of this case, I think £100 would fairly compensate him.

I've noted Mr W's comments about having spent additional money on a return taxi trip to his bank to check receipt of the settlement payment. However I don't find that I can reasonably ask Astrenska to pay this cost, as I think there were likely free or low-cost ways Mr W could have contacted his bank, such as by phone, email or online banking.

My final decision

For the reasons I've given, it's my final decision that I uphold this complaint. And I direct Astrenska Insurance Limited to pay Mr W £100 in respect of the overall distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 July 2024.

Gemma Warner
Ombudsman