

The complaint

Mrs A is unhappy with the settlement offer that Astrenska Insurance Limited (Astrenska) has made on her travel insurance policy.

Mrs A is being represented by her daughter, who I'll refer to as Ms K, on this complaint.

Any reference to Astrenska on this complaint includes all its agents.

What happened

Mrs A took out a single trip travel insurance policy which started on 1 February 2023 and expired on 27 February 2023. Astrenska is the underwriter on the policy.

Mrs A went on holiday with Ms K, Ms K's partner and their young child. Their trip started on 1 February 2023 and was due to end on 27 February 2023. While on holiday, on 18 February 2023, Mrs A had a fall and unfortunately sustained several injuries which required treatment in a hospital.

On 20 February 2023, Mrs A was given a fit to fly (FTF) certificate following her surgery, but the family decided to stay on a few more days to monitor her progress. Ms K says they would have most likely been able to take their original flight back to the UK, but they received little response from Astrenska between 23 February 2023 and 26 February 2023 and they lost their opportunity to get a refund on these. Mrs A's stitches were due to be removed by the same treating doctor but as he was on holiday, this didn't happen until 4 March 2023. And Ms K says Astrenska delayed this as it could have arranged for another doctor to remove the stitches.

The family had to find alternative accommodation but due to the high season and lack of availability, they had to book an expensive hotel. Ms K says she was told all their costs would be covered.

Mrs A was required to stay in hospital for four days and was repatriated on 6 March 2023. Additional costs were incurred for accommodation, taxi fares, telephone charges and food.

Upon their return to the UK, Mrs A made a claim for the costs incurred. Astrenska paid the medical and repatriation costs directly to the providers and the claim was settled in accordance with the cover available on the policy. Unhappy with this, Ms K made a complaint to Astrenska on behalf of her mother. She said she incurred considerable costs to the sum of £11,830 but Astrenska only covered up to the policy limit of £2,000 and £200 for taxi, telephone and hospital benefit costs. Ms K said her costs needed to be covered in full. She provided all the invoices; she said their return to the UK was delayed because of Astrenska's lack of communication and errors it made throughout the claim process. And Mrs A was deemed FTF and therefore no medical clearance was needed.

Ms K made a complaint to Astrenska. It apologised that Mrs A and Ms K weren't kept updated regarding the original flights, but the situation was complex, and, in the background, they were communicating to providers about repatriation. It explained airlines have strict

requirements for medical clearance and they were putting Mrs A's safety first. It said the medical team needed time to review the medical records and while the policy limitations were clarified on the telephone to Ms K, it didn't have the knowledge of the full extent of the claim at that point.

Astrenska further responded and said the FTF certificate confirmed Mrs A could safely fly on 6 March 2023 so there was no reason why the stitches couldn't be removed on 4 March 2023. While there was a second FTF certificate, this only mentioned Mrs A's wrist injury but not her head injury. It said its duty is to ensure Mrs A's health and safety was a priority and acted on the medical information available. Astrenska didn't agree that there was a lack of communication as there were multiple emails and verbal communications that was ongoing at the time.

Unhappy with Astrenska's response, Ms K brought the complaint to this service. Astrenska provided its further response to this service. It offered a further £2,000 towards Ms K's accommodation and it said further consideration would be given subject to the information Ms K provides in relation to the original booking, and pre-booked accommodation planned during the visit.

Our investigator upheld the complaint in part and said the following:

- She thought it wasn't unreasonable for Astrenska to be guided by the medical professionals as it had a duty to ensure Mrs A's health and safety weren't compromised. Therefore, following the advice on the FTF certificate to be repatriated on 6 March 2023 wasn't unreasonable.
- Our investigator said Ms K was led to believe in a phone call on 3 March 2023 that the accommodation costs would be covered, and it was unfair for Astrenska to say there was no evidence of this. Ms K has however said there was little option of finding alternative accommodation because of the high season and she therefore had to book an expensive hotel. So, the investigator said even if Ms K was given the correct information and was told there was a policy limit of £2,000, Ms K would have gone ahead and booked the same accommodation until 6 March 2023 when Mrs A was repatriated. She said Astrenska had offered a further £2,000 for the accommodation costs and has also agreed to review again the accommodation costs providing Ms K sends it the information on the original booking and any pre-booked accommodation during the planned trip. Our investigator said this was fair.
- She recommended Astrenska pay Mrs A £200 in compensation for the poor service it provided. She thought the evidence didn't show there was regular communication and errors were caused in its understanding. Ms K responded to queries each time without delay and there were errors in appointments booked for Mrs A.

Mrs A accepted the investigator's findings.

Astrenska assessed the additional accommodation information from Mrs A. It responded and confirmed that it would offer in total £4,000 because the accommodation booked by Mrs A and Ms K wasn't like for like. As there is a policy limit of £2,000 on additional accommodation and travelling expenses, Astrenska said this total offer of £4,000 is fair as ultimately it is only liable to pay the policy limit of £2,000. Astrenska also accepted the recommended £200 compensation for distress and inconvenience.

Ms K disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims promptly, provide reasonable guidance to help a policyholder make a claim and provide appropriate information on its progress, and settle claims promptly once settlement terms are agreed. I've taken these rules into account when making my decision about Mrs A's complaint.

First, I'd like to reassure Mrs A and Ms K that whilst I've summarised the detailed background to the complaint and their submissions to us, I've carefully considered all they've said and sent us. Within this decision though, I haven't commented on each point they've raised and nor do our rules require me to. Instead, I've focused on what I consider to be the key issues. No discourtesy is intended by this.

I note that Mrs A is the sole policyholder on this complaint. For clarity therefore I can only consider the actions of Astrenska in relation to and the impact caused to her. Ms K and her family aren't the policyholders here and I can't consider the impact caused to them because they have no direct relationship with Astrenska.

The key issue in dispute here is whether the offer made by Astrenska is fair. Ms K says she spent a considerable amount of money to ensure they had accommodation while Mrs A was in hospital receiving treatment and £4,000 isn't sufficient to cover the costs she had incurred. She would like a full refund of the costs.

I've started by looking at the policy terms and conditions as they form the basis of the insurance contract between Mrs A and Astrenska.

On page 36 it says:

'Emergency medical expenses and medical repatriation

Description of Cover

1. Emergency Medical Expenses

This section covers medical expenses, up to the sum insured, if during your trip abroad you become ill or suffer an injury and it is necessary to receive treatment from a medical practitioner as an inpatient or outpatient. Medical expenses incurred in the UK are not covered.

2. Medical Repatriation if there is a valid claim under (1), this section provides cover up to the sum insured when you are not well enough to return home as planned or continue your journey as planned.'

And on page 37 it says:

'Additional accommodation and travelling expenses Description of Cover If you have a covered claim under Emergency Medical Expenses and Medical Repatriation and we consider it is medically necessary, this section covers the following:

1. Additional costs for one person to stay with you: or

2. Additional costs for one person to travel out from the UK to stay with you: or

3. Additional costs for accommodation of a similar standard originally booked (if you are unable to use your original booked accommodation) within the period of the planned trip, or if it is medically necessary for you to stay after the date you were due to return home.'

On page 35 it says:

'You are not covered for:

2. More than the maximum sum insured for each section. See the Table of Benefits.'

And the table of benefits shows, on page 15, the 'Additional Accommodation and Travelling Expenses' benefit as having a limit of £2,000.

Astrenska has paid all the medical expenses and repatriation fees for Mrs A. It also paid for expenses incurred for taxis, telephone calls and the hospital benefit and which totalled £200.

And the policy terms state that there is a limit of £2,000 on the policy for additional accommodation and travelling expenses.

I've considered whether Astrenska has fairly assessed the claim in terms of the additional accommodation and travelling expenses. The policy limit has always been set at £2,000 from the start.

Astrenska has agreed to settle this part of the claim by offering £4,000. While I appreciate this amount won't go far enough to cover the cost Ms K has incurred for the accommodation, I can't reasonably make Astrenska responsible for this. Ultimately the policy was taken out with certain conditions and limitations and in this case, there was an upper limit for the accommodation, which is £2,000. I think Astrenska has gone above what would ordinarily be expected under the policy terms as fair by offering to settle this part of the claim by a further £2,000.

Astrenska reviewed again the accommodation invoices provided by Ms K. The policy terms say cover would be provided for accommodation of a similar standard to that originally booked. However, the original accommodation booked was for £148 per night and the accommodation booked while Mrs A was in hospital was for around £670 per night. So, this wasn't of a similar standard.

Having considered the £4,000 offer from Astrenska, I'm satisfied this is fair and reasonable as it goes beyond that expected under the policy terms and conditions.

In terms of the customer service provided by Astrenska, I agree that it could have done better.

It didn't accurately communicate to Ms K about what cover was available to Mrs A and said that she would be covered under her policy.

I've considered however what Ms K would have done had she received the correct information from the advisor when she called on 3 March 2023. Ms K said there were cheaper options available but that would have meant moving the family to different hotels, so they decided to stay in one place. I think it's likely Ms K would have booked this accommodation anyway.

This place was much more expensive, but she says the advisor said they would be covered. I can understand why she might then have gone ahead to book the accommodation. I think Astrenska should have been clearer in its communication. However, considering that this more expensive accommodation would have been booked anyway, although I think Astrenska could have provided better customer service, this doesn't mean that it should now be responsible for settling the full costs incurred by Ms K for the additional accommodation. Ms K made the decision to relocate to this more expensive accommodation on 20 February 2023 and the call with the advisor was on 3 March 2023.

I agree that there were some delays, errors made in booking appointments and not providing clear information. But Astrenska has accepted this and has agreed to pay £200 compensation in recognition of this. I think this is fair and reasonable.

I know that Mrs A and Ms K will be disappointed and I'm sorry for this. I also understand that this has been a difficult and challenging situation overall for Mrs A and Ms K. But, taking everything into account, I'm satisfied that £4,000 is a fair offer to settle the claim for additional accommodation and travel expenses. And I'm also satisfied that £200 is fair compensation for the distress and inconvenience caused to Mrs A.

Putting things right

I require Astrenska to put things right by:

- Paying Mrs A £4,000 for the additional accommodation expenses subject to the policy terms and conditions. And pay Mrs A £200 for the taxi and telephone costs and the hospital benefit if it hasn't already done so. It should add 8% simple interest per annum one month from the date of the claim to the date of payment.
- Paying Mrs A £200 compensation for the distress and inconvenience caused to her for the overall handling of the claim.

My final decision

For the reasons give above, I uphold Mrs A's complaint in part about Astrenska Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 11 October 2024.

Nimisha Radia
Ombudsman