

The complaint

Miss M complains that American International Group UK Limited (AIG) has turned down a curtailment claim she made on a travel insurance policy.

What happened

Miss M was abroad in December 2023 and was due to return to the UK in early January 2024. Unfortunately, while Miss M was away, she became unwell. A doctor visited Miss M, provided treatment and diagnosed her with a viral infection and dehydration. The doctor recommended that Miss M have bed rest.

Subsequently, given her illness, Miss M decided to return to the UK early and arranged a flight back. While Miss M was waiting to board, her relative called AIG's medical assistance line to ask if there was cover for Miss M to upgrade her flight. The call handler suggested that Miss M speak to a member of the airline. They said that if Miss M was upgraded, she should keep her receipt so she could try to claim for the cost if AIG confirmed cover.

Following Miss M's return to the UK, she made a medical expenses and curtailment claim on the policy. But while AIG settled Miss M's medical expenses, it turned down the curtailment claim. That's because it said its medical team had reviewed the claim and wouldn't have authorised Miss M's early return home.

Miss M was unhappy with AIG's decision and she asked us to look into her complaint. In summary, she felt she'd complied with the policy terms and she considered AIG had assured her relative that the claim would be covered.

Our investigator didn't think Miss M's complaint should be upheld. In brief, she didn't think AIG had agreed to cover the costs of Miss M's curtailment. And as AIG had confirmed it didn't think curtailment was medically necessary, she didn't think it had been unfair for AIG to turn down the claim.

Miss M disagreed and so 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 Miss M, I don't think it was unfair for AIG to turn down this claim and I'll explain why.

I'd like to reassure Miss M that while I've summarised the background to this complaint and her 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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. I've taken those rules into account,

amongst other relevant considerations, such as regulatory principles, the policy terms and the available evidence, to decide whether I think AIG treated Miss M fairly.

First, I've considered the policy terms and conditions, as these form the basis of the contract between Miss M and AIG. Miss M made a curtailment and medical expenses claim on the policy. So I think it was reasonable and appropriate for AIG to consider the claim in line with those sections of the contract.

Section A sets out the available curtailment cover. This says:

'Please note: If you need to return home to your country of residence earlier than planned, you must contact the assistance department immediately (please see the Medical and other emergencies section for further details).'

What you are covered for

We will pay up to the amount shown in the table of benefits for:

- *Travel and accommodation expenses which you have paid or have agreed to pay under a contract and which you cannot get back;*
- *The cost of excursions, tours and activities which you have paid for either before you left your country of residence or those paid for locally upon your arrival overseas and which you cannot get back; and*
- *Reasonable additional travel costs to return back to your country of residence if it is **necessary and unavoidable** for you to cut short your trip.*

...

*We will provide this cover if the cutting short of your trip is **necessary and unavoidable** as a result of the following:*

1 . You dying, becoming seriously ill or being injured. (My emphasis added).'

Section A also explains risks AIG has chosen not to cover under this particular section of the policy. This includes the following:

'Any claims where the assistance department has not been contacted to authorise your early return back to your country of residence.'

The medical expenses section of the policy says that AIG will cover:

*'The cost of your return to your country of residence earlier than planned **if this is medically necessary** and the assistance department approve this.'* (My emphasis added).

In my view, the policy terms make it clear that curtailment claims won't be covered unless a policyholder's return is medically necessary, unavoidable and unless it's been authorised by the medical assistance team. So I've next gone on to think about whether AIG did give such authorisation ahead of Miss M's early return to the UK.

I acknowledge Miss M's relative called AIG before Miss M actually returned to the UK. But that doesn't necessarily mean the claim's covered under the policy terms. As I've said, I think it's clear that curtailment must be also medically necessary and pre-approved by AIG.

I've listened to the call between Miss M's relative and the medical assistance team. It's clear that this was the first conversation Miss M's relative had had with the medical assistance

team and that no existing claim was open. At this point, Miss M had already decided to cut short her trip, had booked a new flight and was waiting to board it. During the call, Miss M's relative *didn't* ask AIG to authorise Miss M's early return to the UK. Instead, they asked whether AIG would cover the cost of an upgrade because Miss M's doctor had recommended that she should have bed rest.

AIG's call handler didn't authorise the costs of an upgrade – and nor did they agree to cover the costs of Miss M's curtailment. Instead, they told Miss M's relative to speak to the airline and if an upgrade could be arranged, they suggested that Miss M should keep the receipts and try to make a claim. I don't find that any guarantee of cover or payment was made during this call. I appreciate Miss M feels that the call handler ought to have made it clear that she'd need authorisation to cut short her trip. And I've thought about this. But in this particular case, Miss M had already made the decision to curtail her holiday, had incurred the costs of a new flight and was already at the airport. So even if I thought the call handler should have mentioned the need for AIG's approval to return home early, I don't think it would have made a material difference in this case or that it prejudiced Miss M's position.

Despite Miss M's failure to obtain authorisation, AIG considered whether or not the claim should be paid. I think this was a reasonable and appropriate step for AIG to take. It referred the treating doctor's medical report to AIG's medical team for an opinion on whether they would have concluded curtailment was medically necessary if they'd been asked for pre-approval. The medical report stated that Miss M had a viral infection, that she needed bed rest, that she should drink water and avoid certain foods. There was no indication that the treating doctor believed it was medically necessary for Miss M to return to the UK for that bed rest.

Based on the report, AIG's medical team concluded that Miss M's curtailment hadn't been medically necessary and it wouldn't have approved her claim if she'd called for authorisation ahead of making arrangements to return to the UK early. I think it was reasonable for AIG to rely on the clinical opinion of its medical team when retrospectively assessing the claim. And as I've said, I don't think the treating doctor's medical report suggests that curtailment was medically necessary for Miss M. So I don't think there's persuasive medical evidence that counters AIG's medical team's conclusions.

Based on the evidence then, I don't think AIG acted unfairly or unreasonably when it concluded that Miss M hadn't obtained its medical assistance team's authorisation to return to the UK and that her curtailment hadn't been medically necessary. So while I sympathise with Miss M's position, I don't find it was unfair for AIG to turn down her claim and I'm not directing it to do anything more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 26 March 2025.

Lisa Barham
Ombudsman