

The complaint

Mr F and the estate of Mrs F are unhappy with the way U K Insurance Limited (UKI) handled a claim made on Mr and Mrs F's travel insurance policy.

All reference to UKI includes its agents.

What happened

Mr and Mrs F were on a cruise when Mrs F became unwell. Before going away Mrs F had been diagnosed with cancer in her lungs. When she became unwell the cruise ship doctor suspected a chest infection and Mrs F was taken to a private hospital on the mainland. After around a week in hospital she was repatriated to the UK via air ambulance and was seen by her own consultant on her return.

UKI declined the claim. It concluded that she was treated for cancer whilst abroad and so this wasn't covered under the policy.

Mr F and the estate of Mrs F complained to the Financial Ombudsman Service and another ombudsman issued a final decision in January 2024, partially upholding Mr F and the estate of Mrs F's complaint. She didn't think the overall medical evidence demonstrated that Mrs F's illness abroad was caused by her pre-existing medical condition. The ombudsman directed UKI to reassess the claim on the basis that Mrs F was treated for an acute condition rather than an underlying condition which she ought to have declared.

UKI reassessed the claim and settled Mr F's claimed out of pocket expenses (which included medical costs and the cost of an air ambulance) in February 2024. UKI paid around £54,000.

Unhappy with the way in which the claim was handled, Mr F and the estate of Mrs F complained to UKI.

By way of a final response letter dated April 2024, UKI apologised for the poor service Mr and Mrs F received and paid £1,000 compensation for distress and inconvenience.

Unhappy, Mr F and the estate of Mrs F brought a second complaint to the Financial Ombudsman Service. Our investigator looked into what happened and recommended that compensation in the sum of £1,000 was fair and reasonable.

Mr F disagreed and raised points in reply. These didn't change our investigator's opinion, so this complaint was passed to me to consider everything afresh to decide.

I issued my provisional decision in January 2025. I said:

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UKI has an obligation to handle insurance claims fairly and promptly.

It has now accepted the claim made on the policy and settled the significant out-of-pocket

costs. That's not in dispute.

UKI also accepts that despite having the admissions report from the cruise ship doctor showing the diagnosis to be acute chest infection it still declined the claim solely on the later discharge report. It accepts that it should've considered the admission diagnosis and provided cover.

UKI apologised for the poor service during the claim (including poor communication, not providing updates and delays). It paid £1,000 compensation for distress and inconvenience. It also says that it internally passed on feedback to highlight the errors to help prevent similar things happening again.

However, I don't think UKI truly appreciates the impact its decision to (unfairly) decline the claim had on Mr and Mrs F, at a time when Mrs F was very unwell, and they were both situationally vulnerable.

UKI's timeline of events reflects that Mr F was told that the claim had been declined on 29 March 2023 whilst he and Mrs F were still abroad, Mrs F required treatment and the hospital was looking to discharge her in a couple of days.

Although, Mr F challenged UKI's decision, I'm satisfied that UKI didn't promptly review its position and I think Mr and Mrs F reasonably took matters into their own hands at that stage and arranged Mrs F's repatriation to the UK by air ambulance.

I'm satisfied that this caused Mr and Mrs F a significant amount of distress. And notwithstanding an already worrying and upsetting time for them, Mr F was put to the unnecessary trouble of having to arrange the repatriation, pay around £24,000 for the air ambulance, and subsequently spend unnecessary time challenging UKI's decision to decline the claim.

This was also at a time when he would've already been worried for Mrs F, who continued to be very unwell after her return to the UK, and then after she sadly died. I'm satisfied that this made an already distressing and traumatic time for Mr F needlessly and significantly worse.

The distress and inconvenience would've been exacerbated by the earlier poor service UKI accepts he received from its representatives, including poor communication, not providing updates or discussing the medical evidence it received at the time with him and causing him the trouble of having to contact UKI for updates.

Although the claim was ultimately accepted in February 2024, I'm satisfied that Mr F was reasonably upset and distressed to discover that UKI had the admissions report from the cruise ship doctor when deciding to decline the claim but failed to consider this important information at all. And it accepted in its final response dated April 2024 that it should've been considered, and cover provided from the outset. To know this all could have been avoided, I accept would be extremely upsetting for Mr F, given all that has happened.

I'm also intending to find that had UKI considered the admission diagnosis as it accepts it should've at the end of March 2023 and cover was provided at that stage, on the balance of probabilities, Mr and Mrs F wouldn't have personally incurred the medical and repatriation costs they did. And these would've been covered by UKI either at the outset or on condition that Mr and Mrs F agree to reimburse UKI for any costs if the claim couldn't be verified.

As UKI accepted the claim shortly after the date of the final decision, directing it to reassess the claim, I'm satisfied that it's likely that the claim would've most likely been verified and accepted at the outset.

I accept that the claim being declined, and costs not being paid, also caused financial hardship for Mr F at a time when he was already vulnerable, grieving the loss of his wife, and he was left waiting to be reimbursed a significant amount of money for almost a year. I'm satisfied this would've been worrying and upsetting for him.

UKI also accepts that when UKI reassessed the claim in line with the ombudsman's final decision dated January 2024 there were further communication errors and delays which would've resulted in the claim being accepted a little earlier. I'm satisfied this caused further upset for Mr F.

I'm not persuaded £1,000 fairly reflects the total and cumulative impact on Mrs F whilst alive And on Mr F. I'm intending to find that £2,000 more fairly reflects the distress and inconvenience they both experienced (£500 for Mrs F and £1,500 for Mr F).

Mr F is also unhappy that UKI failed to initially provide the Financial Ombudsman Service with a copy of the admission report completed by the cruise ship doctor, and he's concerned that it was trying to withhold information. However, ultimately, this information was received and considered as part of the ombudsman's final decision.

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I invited both parties to respond to my provisional decision.

UKI accepted my provisional findings. Mr F also replied, emphasising some previous points made.

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.

Mr F feels very strongly about what's happened and I appreciate (and have taken into account) his comments, many of which I had previously considered when provisionally deciding this complaint.

I'm satisfied that there's no compelling reason to depart from my provisional decision. So for this reason, and for reasons set out in my provisional decision (an extract of which is set out above and forms part of this final decision), I uphold this complaint. I'm satisfied that £2,000 compensation is fair and reasonable to reflect the impact of UKI's errors on Mr and Mrs F.

Putting things right

I direct UKI to pay Mr F and the estate of Mrs F a total of £2,000 compensation for distress and inconvenience (£500 to the estate of Mrs F and £1,500 to Mr F). From this amount, it can deduct £1,000, if this has already been paid as stated in its final response letter dated April 2024.

My final decision

I partially uphold this complaint to the extent set out above and direct U K Insurance Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and the

estate of Mrs F to accept or reject my decision before 6 March 2025.

David Curtis-Johnson
Ombudsman