

The complaint

Mr C has a global medical insurance policy with CIGNA Life Insurance Company of Europe SA-NV. It agreed to give Mr C a 5% discount on his insurance premium totalling around 103 euros. Mr C is unhappy that he only received around 72 euros.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for 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 uphold this complaint. I'll explain why.

- I've seen evidence that CIGNA instructed its bank to send 103.55 euros to Mr C's bank account on 23 July 2024.
- CIGNA has said that the reason for the shortfall of 31.55 euros is due to the currency conversion made by the bank to convert the amount it sent to Mr C's account from euros to GBP. However, it hasn't provided any compelling evidence in support of that.
- The Advice of Credit provided by Mr C's bank shows Mr C's account only received 72.05 euros on 23 July 2024 and was credited £59.28 using an exchange rate of just over 1.21.
- So, I'm not persuaded that the reason for Mr C receiving 72.05 euros instead of 103.55 euros was due to currency conversion.
- The Advice of Credit also sets out that the instructed amount was 103.55 euros, that the "instructed exchange rate" was 'none' and sender's charges were 31.50 euros. So, on the balance of probabilities, I'm satisfied that the shortfall was due to sender's charges.
- In the circumstances of this case, I'm not satisfied that it's fair and reasonable for Mr C to be responsible for the sender's charges. I think it's reasonable for him to receive an amount equal to the 5% premium discount he agreed with CIGNA.
- When making this finding, I've taken into account what CIGNA says about there being a general exclusion in the policy terms which says it won't cover "the costs or fees for filling in a claim form or other administration charges". However, I don't think it's fair and reasonable for it to rely on this general exclusion in the circumstances of this case when the charge is a sender's charge when applying a 5% premium discount to the policy and paying this amount to Mr C. Looking at the general exclusion in context, I'm satisfied the administration charges referred to relate to those charges to do with pursuing an insurance claim rather than administrative charges that may be incurred transferring money.

I'm satisfied that Mr C has been put to the unnecessary trouble of having to challenge the shortfall in payment, including liaising with his bank. I accept that he would've also been upset and frustrated by not receiving the amount he'd agreed with CIGNA. I think £150 compensation fairly reflects the impact on him.

Putting things right

CIGNA should:

- A. ensure that Mr C receives a further 31.50 euros.
- B. pay simple interest at a rate of 8% per year on the amount in A. above from the date the original payment was made to the date the amount in A. above is settled by CIGNA. If CIGNA considers it's required by HM Revenue & Customs to take off income tax from any interest paid, it should tell Mr C how much it's taken off. It should also give him a certificate showing this if he asks for one. That way Mr C can reclaim the tax from HM Revenue & Customs, if appropriate.
- C. pay Mr C £150 compensation for distress and inconvenience.

My final decision

I uphold this complaint and direct CIGNA Life Insurance Company of Europe SA-NV to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 April 2025.

David Curtis-Johnson
Ombudsman