

## **The complaint**

Mrs R is unhappy that Red Sands Insurance Company (Europe) Limited didn't pay a claim made on her travel insurance policy in full, after she required emergency medical treatment whilst abroad. She's also unhappy with the way in which her claim was handled.

All reference to Red Sands includes its agents. And although Mrs R is being represented, for ease, I've referred to submissions made on her behalf to be made by her.

## **What happened**

I issued my provisional decision earlier in October 2025 explaining why I was intending to uphold this complaint. An extract of my provisional decision is set out below.

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I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

That includes Red Sands' regulatory obligation to handle insurance claims fairly and promptly. And to not unreasonably decline a claim.

Because it's relevant here, I've also considered The Consumer Insurance (Disclosure and Representations) Act 2012 ('CIDRA'). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract.

The standard of care expected is that of a reasonable consumer. And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is (what CIDRA describes as) a qualifying misrepresentation.

For it to be a qualifying misrepresentation, the insurer (in this case, Red Sands) must show it would have offered the insurance policy on different terms, or not at all, if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

Did Mrs R make a misrepresentation?

Red Sands says Mrs R would've been asked the following question when applying for the policy:

Have you, or are you, or anyone in your party:

1. Taken any prescribed medication, had any symptoms for any illness or received any medical treatment in the last two (2) years

2. Attended a medical practitioner's surgery, or hospital or clinic (outpatient or in patient) in the last two (2) years...

For the purposes of this decision, I accept that this is the question that Mrs R was asked at the time. I'll refer to this as 'the medical question' and I think it's reasonably clear.

The medical declaration form reflects that Mrs R declared one condition but not lower respiratory tract infection or urinary tract infection (UTI).

I'm currently satisfied that Red Sands has fairly concluded that Mrs R didn't accurately disclose all medical conditions when answering the medical question.

Mrs R applied for the policy in January 2024. Her medical records reflect that she was prescribed medication for suspected UTIs in May and December 2023. She was also prescribed antibiotics for a lower respiratory tract infection in February 2023.

Was this a 'qualifying' misrepresentation?

I've considered whether this amounted to a qualifying misrepresentation under CIDRA. I'm not currently persuaded that it did.

I've seen the follow up questions Red Sands says Mrs R would've been asked had she declared UTIs and lower respiratory tract infection when answering the medical question. For UTIs, it says she would've been asked:

How many episodes of urinary tract infection have you had in the last 12 months?

Red Sands has provided evidence to show that had Mrs R answered this question '2 or 3 episodes' along with declaring the lower respiratory tract infection, she would've been charged around £133 more for the policy.

However, if she'd declared '1 episode' along with declaring the lower respiratory tract infection, there would've been no increase to the premium. She would've been charged the same amount for the policy.

When carrying out a retrospective re-screening, Red Sands says Mrs R had at least two UTI episodes in the 12 months before applying for the policy. However, I'm not satisfied that it's fairly concluded this, and it should've inputted '1 episode' when rescreening her UTI condition.

I accept that there are two entries in Mrs R's GP records dated 23 and 30 May 2023 for suspected UTI. Mrs R says that due to her circumstances, her doctor started her on one antibiotic before advising her to stop. And that's why there are two entries. Given the close proximity between the two entries – and in the absence of any evidence to the contrary - I intend to accept what she says. I find what she says to be plausible, consistent and persuasive. And I think it's fair and reasonable to treat this as one episode.

There's another entry for a suspected UTI in December 2023 and antibiotics were prescribed. Mrs R says she didn't end up taking these as on the same day, her urine sample came back normal / negative. I've seen the laboratory results, and it says 'no action' is needed. So, I accept what she says about not taking medication.

Given the test results, I'm not currently satisfied that it's fair and reasonable for Red Sands to treat this as 'an episode', which should be included when carrying out a retro screening.

I've taken into account its comments; that the test result could've been impacted by the time of day the sample was taken and how much liquid Mrs R had taken. However, the question doesn't ask about how many times Mrs R had sought medical attention for a UTI or had UTI symptoms. It asks about the number of episodes. I don't think it would be fair to include a negative UTI test as an episode. It supports that Mrs R didn't have a UTI in December 2023.

So, I'm not currently satisfied that failing to declare all medical conditions under the medical question ultimately mattered to Red Sands. It didn't have any impact in the circumstances of this case. I'm satisfied that it would've resulted in no change to the premium.

As there wasn't a qualifying misrepresentation, I don't think Red Sands has acted fairly and reasonably by proportionately settling the claim and not paying it in full (subject to the policy excess).

#### Claims handling

I'm satisfied that Red Sands' decision to proportionately settle the claim has had a significant impact on Mrs R.

She had the unnecessary worry and upset of thinking she was responsible for many thousands of pounds for a long time.

Red Sands successfully negotiated a reduction in medical fees with the facility's agents. This is known as cost containment and the negotiations led to Red Sands delaying payment of its share of medical costs. Whether or not Red Sands was responsible for the entire medical costs under the policy, I'm satisfied that it's likely that cost containment would've happened.

From what I know, it's also likely that the medical facility's agents would've chased Mrs R for the costs whilst this was ongoing. That isn't uncommon.

But I'm satisfied that Red Sands didn't keep Mrs R up to date about what was happening and likely timescales.

I also understand that Mrs R hasn't paid anything to the medical facility as she has been trying to understand from Red Sands how much it says she's ultimately responsible for. It hasn't been clear.

I'm intending to direct Red Sands to pay Mrs R £500 compensation for the impact of its errors.

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I invited both parties to provide any further information in response to my provisional decision. Red Sands didn't reply. Mrs R accepted my provisional 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.

Because I haven't received any further substantive comments to consider, I find no compelling reason to depart from my provisional findings.

So, 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 Mrs R's complaint.

### **Putting things right**

I direct Red Sands to pay:

- the balance of the claim to the medical facility (less any excess under the policy); and
- £500 compensation for distress and inconvenience to Mrs R.

### **My final decision**

I uphold Mrs R's complaint and direct Red Sands Insurance Company (Europe) Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 28 November 2025.

David Curtis-Johnson  
**Ombudsman**