DRN-5953866

The complaint

Mr and Mrs S complain about the way that Zurich Insurance Company Limited handled claims they made on an annual travel insurance policy.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the main events.

Mr and Mrs S were abroad on holiday. Unfortunately, Mr S suffered severe back pain and needed to seek medical help. So Mrs S got in touch with Zurich's emergency medical assistance team (the MAT) to make a claim.

Due to Mr and Mrs S' location, the MAT asked its local agent to help find a suitable medical facility to assess Mr S. It directed Mr S to a public hospital, which gave Mr S painkilling medication and concluded that he needed an MRI scan and physiotherapy.

The MAT looked into arranging both an MRI scan and physiotherapy for Mr S. However, this took some time, given the availability of Zurich's providers. When Mr S was able to see a physiotherapist, he considered the treatment he'd received had been inappropriate for his particular condition. While an MRI took place, Mr S didn't have a consultation with a doctor to explain the results. Zurich also requested Mr S' GP records, so it could validate the claim, which led to a short delay in the cover being confirmed. Mr and Mrs S had to pay upfront for the medical appointments, as it seems the facilities required payment to be made in that way.

Mr and Mrs S were very unhappy with the way the MAT had handled the claim and they complained. They felt Mr S hadn't been able to receive prompt, appropriate treatment. They considered it had unfairly delayed things and that it hadn't kept Mrs S properly updated.

Subsequently, Mr and Mrs S returned to the UK, where Mr S underwent physiotherapy. They put in a claim for their out of pocket expenses, including the costs of food and Mr S' UK treatment, Zurich partly settled the claim but explained that the costs of UK medical treatment, fuel and food weren't covered by the contract terms.

Zurich looked into Mr and Mrs S' concerns about the way their claim had been handled. It acknowledged it hadn't provided the level of service it should have done and so it paid Mr and Mrs S £500 compensation. It maintained the claim had been correctly settled.

Unfortunately, due to Mr S' ongoing back pain, he and Mrs S were advised to cancel another pre-booked trip. So they made a cancellation claim on the policy. While Zurich ultimately accepted and paid the claim, Mr and Mrs S were unhappy with the way it had been handled. So Zurich offered them a further £300 compensation in recognition of its handling of both claims.

Mr and Mrs S remained unhappy with Zurich's handling of both claims and they weren't satisfied that it had settled the medical expenses claim fairly. They also told us they

considered the MAT's actions had caused lasting damage to Mr S' back.

Our investigator felt that overall, Zurich had already made a fair offer to settle Mr and Mrs S' complaint. He considered the MAT had made some errors in its handling of the medical expenses claim and that there'd been some delays in the handling of the cancellation claim. But he was satisfied that Zurich had offered reasonable compensation for these mistakes. He also felt that Zurich had settled the medical expenses claim in line with the policy terms. And he explained that Zurich would be looking into Mr and Mrs S' concerns about any potential long-term impact of the MAT's actions on Mr S' health as a new and separate complaint.

Mr and Mrs S disagreed and I've summarised what they said:

- They'd received virtually no support from the MAT and they didn't agree that they'd been in an area with few medical facilities;
- Mr S' private medical costs in the UK should be covered, given he'd urgently required treatment and given the current NHS waiting times. He ought to have been entitled to such treatment while he'd been abroad;
- Zurich had failed to meet its regulatory obligations when dealing with the claims;
- In addition to the medical costs Mr S had incurred in the UK, Zurich should also cover ongoing medical costs, as well as pay them total compensation of £25,000, to recognise their time, trouble, delays and service failings. If they'd taken the matter to court, they felt Zurich's liabilities could be much higher.

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 Mr and Mrs S, I think Zurich's offer to pay them total compensation of £800 is fair and reasonable and I'll explain why.

First, I was sorry to hear about the back problems Mr S suffered abroad and I'm sorry to hear that he's experiencing ongoing issues. It's clear Mr S has suffered a great deal of pain and that this has been a very worrying time. I'd also like to reassure Mr and Mrs S that while I've summarised the background to their complaint and their detailed submissions to us, I've carefully considered all they've said and sent us. 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.

It's also important that I make it clear that we're not the industry regulator. This means we have no power to fine or punish the financial businesses we cover. In making an award of compensation for distress and inconvenience, I generally take into account what (if anything) a financial business has done wrong, what impact I think this has had on a consumer in the specific circumstances of their complaint and what I believe to be a fair, reasonable and proportionate award to put things right.

Additionally, I appreciate Mr and Mrs S believe Zurich's handling of Mr S' medical assistance claim has caused long-term damage to his back. But as our investigator explained, this isn't an issue they'd previously raised with Zurich or that it had addressed when it dealt with Mr and Mrs S' complaints. So it wouldn't be appropriate for me to comment on that issue here. Zurich is currently investigating a complaint about this particular point. Therefore, if Mr and Mrs S are unhappy with Zurich's response to that complaint, they may potentially be able to

bring a new complaint to us about that issue alone.

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 Zurich treated Mr and Mrs S fairly.

It seems to me that there are two key issues for me to consider. Firstly, whether Zurich fairly settled Mr and Mrs S' medical expenses claim. And secondly, whether it handled their claims reasonably. I'll deal with these points in turn.

Did Zurich settle Mr and Mrs S' medical expenses claim fairly?

I've first considered the policy terms and conditions, as these form the basis of Mr and Mrs S' contract with Zurich. Mr and Mrs S made a medical expenses claim, so I think it was reasonable and appropriate for Zurich to consider the claim under Section Six – Medical Emergency Expenses. This says that a policyholder is covered for the following expenses, which are incurred *outside of the UK:*

'*1) For usual reasonable and necessary medical and surgical treatment as prescribed by a medical practitioner. Claims for emergency dental treatment (for the relief of pain only) shall be limited to £350;*
2) for reasonable and necessary additional accommodation (room only) and travelling expenses (economy class) for you and one relative or friend who has to stay with you or travel to be with you and accompany you home if you have to be accompanied home on medical advice or if you are a child and require an escort home. You must have our permission to do this.
3) for loss of medication, limited to £300;
4) in the event of death: a) for conveyance of the body or ashes to your home country (the cost of burial or cremation is not included) or; b) local funeral expenses abroad limited to £5,000;
5) for reasonable cattery or kennel costs you have to pay if for medical reasons you cannot return home as planned;
6) up to £25 for each 24 hour period that you are in hospital as an in-patient during the journey;
7) up to £500 for the cost of pre-paid tours/activities, booked prior to your departure, which you were unable to use as a direct result of you being hospitalised due to illness or injury which is covered under section 6 - Medical emergency expenses.'

The policy also sets out a list of things Zurich has chosen to exclude from cover. This includes the following:

'Anything mentioned in the General exclusions on pages 43 and 44..
Treatment or expenses in your home country.'

Page 14 of the policy terms set out the applicable policy conditions. This says:

'In the event of a claim, you or your legal representative) must give us all the information and documents that we may need at your (or their) own expense. If you make a medical claim you may be asked to supply your medical practitioners name to enable us to access your medical records.'

And the General Exclusions say that Zurich won't pay *for 'any other loss connected to the event you are claiming for unless we specifically provide cover for it under this policy.'*

I've looked carefully at Mr and Mrs S' claim form. I can see that amongst the medical expenses they incurred (which I understand Zurich has paid), they also claimed for the costs of food, fuel, toll charges and a medical report. They have also subsequently claimed for the costs of private care Mr S has received in the UK.

In my view, Zurich has set out the costs it covers under this section of the policy in a clear, fair and not misleading way. I'm satisfied that the contract specifically excludes the costs of treatment in the UK (in line with most, if not all, travel insurance policies available on the market). So I don't think Zurich unfairly declined to pay for the costs of the treatment Mr S received after he returned to the UK. And I also don't think it was unreasonable for Zurich to have declined to pay Mr and Mrs S' fuel and toll fees either, as they're simply not costs Zurich has chosen to cover. Given Mr and Mrs S would always have needed to pay for food, regardless of Mr S' back issue, I don't think I could fairly conclude that Zurich should reimburse Mr and Mrs S' food expenses. Moreover, I find that the policy conditions make it clear that a policyholder is responsible for covering the cost of any claim evidence Zurich requires – including the costs of obtaining their medical records. This means I don't think Zurich unfairly turned down Mr and Mrs S' claim for the costs of obtaining Mr S' GP records, either.

Overall then, I'm satisfied that Zurich settled Mr and Mrs S' claim in line with the contract terms and that it did so fairly and reasonably.

Did Zurich handle Mr and Mrs S' claims fairly?

It's clear that as a result of his back pain abroad, Mr S unfortunately needed to seek medical help. It's also clear that Mrs S got in touch with the MAT to ask for help, in line with the policy terms.

Zurich acknowledges that the MAT and its claims team didn't handle the medical expenses claim as well as it should have done. So like the investigator, I too find that it didn't meet its regulatory obligations. I've gone on to explore this point.

Having considered a copy of the MAT's contact notes, as well as the evidence and testimony Mr and Mrs S have supplied, I've been able to understand a timeline of what happened and when. I can see that unless Mrs S called the MAT directly, it communicated with her by email. I don't think this was the most effective way for the MAT to get in touch with Mrs S or to keep her updated. It required her to repeatedly check emails and to contact the MAT for updates. I consider this would have caused Mrs S avoidable inconvenience at an already worrying time. In my view, it would have been better for the MAT to take proactive steps to contact Mrs S by phone to discuss the situation and next steps with her.

While Mr and Mrs S dispute they were in a remote location, they do accept it was 'rural'. So it may not have been simple for the MAT to arrange quick, local treatment for Mr S. In those circumstances, I think it was reasonable and appropriate for the MAT to discuss the situation with its clinical team – which it did – to try and establish the best way for Mr S to get medical assistance. I also find it was reasonable for the MAT to ask its local agent – which has more familiarity with the region Mr and Mrs S were in – to arrange appointments and to find medical facilities.

I can see from the MAT's notes that it was in regular contact with the agent to chase things up and to try and ensure Mr S could receive the assessment, scan and physiotherapy he needed as quickly as possible. I find this to have been reasonable. I'd add too that while Mr and Mrs S have pointed out other treatment centres in the wider locality, insurers generally work with 'recognised' providers. I don't generally think this is unreasonable, given it can often ensure that ill or injured policyholders can receive treatment at an appropriate facility.

It seems to me that the MAT took fair steps to ensure Mr S could receive the assessment he needed at a public hospital – which discharged Mr S after a few hours with painkillers and the recommendation to undergo an MRI and physiotherapy. Mr and Mrs S feel the MAT should have arranged an ambulance for Mr S. But I've seen no persuasive medical evidence that it was necessary for the MAT to have arranged an ambulance to transport Mr S to the hospital – and it was open to Mr and Mrs S to have called an ambulance if they'd felt it was needed.

Following the hospital assessment, the notes show the MAT sent Mr S' medical reports for translation - as I'd expect it to do - to allow it to assess how best to support Mr S. I'm also satisfied the MAT sought to ensure Mr S could undergo the treatment he needed at appropriate facilities following its review of the medical report.

Additionally, while I understand it must have been frustrating for Mr and Mrs S when Zurich requested Mr S' medical records, it's a standard part of the claims process in cases of this nature. So I find Zurich was entitled to ask for this evidence before confirming the claim was covered. With that said, I appreciate there was a delay between the GP sending the report and Zurich making its claims decision, which I understand must have been worrying for Mr and Mrs S.

Zurich accepts that the physiotherapy provider the local agent arranged for Mr S wasn't the most suitable for his needs. I don't doubt how frustrating it must have been for Mr S when he arrived for treatment and didn't receive the therapy he needed. And Zurich acknowledges too that when Mr S underwent an MRI, he was led to believe that he would also have a consultation to discuss the results. This didn't happen. Again, I understand this must have been very worrying for Mr S, when he was left unclear as to a proper diagnosis and treatment plan. I think these were clear errors on Zurich's part.

And I can also see that following Mr and Mrs S' return to the UK, there was some delay in their out of pocket medical costs being settled, as well as Zurich initially incorrectly settling the claim when it calculated the settlement due.

Mr and Mrs S' complaint broadly centres on the medical expenses claim, rather than the cancellation claim they made in January 2025, as Mr S wasn't able to travel. Nonetheless, Zurich accepted there had been avoidable overall delays in its claims handling and poor service. So it offered Mr and Mrs S an additional £300 compensation to reflect the poor service they'd experienced across both claims.

I've taken Zurich's handling of this claim into account and I've carefully considered the mistakes the MAT and the claims team made. As I've said, Zurich accepts it didn't provide the level of service it ought to have done and that it didn't meet its regulatory obligations. I'm also mindful that Mr and Mrs S were abroad, in a vulnerable situation, and that Zurich's mistakes were likely to have caused them additional, unnecessary, trouble and upset at an already very worrying time, as well as further frustration when they needed to make a new claim.

Zurich has already paid Mr and Mrs S £500 compensation to reflect the distress and inconvenience its handling of the claims has caused them, as well as having offered a further £300. It's also provided Mr and Mrs S with written apologies for its service failings. Having weighed everything up, I find that a total compensatory award of £800 (together with its previous apologies) is a fair, reasonable and proportionate award to reflect the trouble and upset I think Zurich's mistakes caused Mr and Mrs S over the course of their claims. I'm also satisfied that it's in line with our published guidance on our approach to compensation for distress and inconvenience.

Putting things right

On that basis, I find that the fair and reasonable outcome in these circumstances is for Zurich to pay Mr and Mrs S total compensation of £800.

So I'm directing Zurich to pay Mr and Mrs S total compensation of £800, less any compensation it's already paid them.

My final decision

For the reasons I've given, my final decision is that Zurich Insurance Company Ltd has made a fair offer to settle Mr and Mrs S' complaint and I direct it to put things right as I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 16 January 2026.

Lisa Barham
Ombudsman