

The complaint

Mr and Mrs J complain about how Saga Services Limited administered their travel insurance policy.

What happened

Mr and Mrs J held a travel insurance policy, arranged through Saga, which renewed in November 2024.

In January 2025, Saga told Mr and Mrs J that the underwriter had refused to provide the cover because of an increase in risk due to an operation Mrs J had the previous year. Mr J said he'd told Saga about this before the policy renewed and Saga had incorrectly recorded it as a claim.

Unhappy, Mr and Mrs J complained to Saga before bringing the matter to the attention of our Service. Saga subsequently refunded Mr and Mrs J the premiums they'd paid for the policy, together with interest at 8% simple per annum from January 2025. Saga also offered to pay £100 compensation for the distress and inconvenience caused.

A number of our Investigators looked into what had happened and, ultimately, recommended that Saga should backdate the interest to November 2024 and increase the compensation to a total of £250. Saga agreed but Mr and Mrs J didn't, so the complaint has now been referred to me to make a decision as the final stage in our process.

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.

When making this final decision I can only comment on the regulated activities which Saga is responsible for. In doing so, I've taken into account relevant considerations such as industry rules and the law. My overall remit is to decide what I think is fair and reasonable in the circumstances, on the balance of probabilities.

I've seen no evidence that Mr J told Saga about Mrs J's operation before the policy renewed. Saga doesn't handle claims under this policy, so I think it's unlikely it incorrectly recorded any declaration made about Mrs J's health as a claim. Information given to Saga by the underwriter suggests a claim was recorded in July 2024 and subsequently withdrawn. If Mr and Mrs J want more information about this then they'd need to contact the policy underwriter. The decision to refuse cover in January 2025 was made by the underwriter.

Saga has now refunded the full premiums paid for this policy and has offered to backdate the interest paid to 25 November 2024. Interest is calculated in line with our current standard approach (8% simple per annum). An award of interest takes account of the fact that Mr and Mrs J were deprived of the benefit of the premium refund for longer than they reasonably should have been, so I think Saga's offer in this regard is fair and reasonable in the circumstances. If there is any subsequent dispute about the interest calculation this would

need to be the subject of a new complaint.

Saga has now also offered to pay a total of £250 compensation. I appreciate Mr and Mrs J spent time and effort corresponding with Saga. I've taken into account their description of the impact of the situation on them, as well as our published guidance on the payment of compensation for distress and inconvenience. I must reach an independent and impartial outcome which is fair and reasonable to both parties to the complaint, and I have no power to seek to punish a business through a compensation award. Compensation at the level Mr and Mrs J are seeking simply isn't something I'd consider awarding in this situation.

Overall, I'm satisfied Saga's offer of £250 compensation is fair and reasonable in the circumstances. For the avoidance of doubt, this is a total of £250 and includes the £100 previously offered.

I'm sorry to disappoint Mr and Mrs J, but I won't be directing Saga to do anything more than it has already offered to do.

Putting things right

Saga Services Limited needs to put things right by paying Mr and Mrs J backdated interest on the premium refund, to 25 November 2024, at 8% simple per annum. Saga Services Limited also needs to pay Mr and Mrs J a total of £250 compensation for the distress and inconvenience they experienced.

My final decision

I'm upholding Mr and Mrs J's complaint about Saga Services Limited in part, and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs J to accept or reject my decision before 9 January 2026.

Leah Nagle
Ombudsman