

The complaint

Mr T is unhappy with the assistance he received from Red Sands Insurance Company (Europe) Limited under his travel insurance policy ('the policy') after he was injured abroad.

All reference to Red Sands includes its medical assistance team and other agents.

What happened

Mr T was due to be abroad for around a year. He had a work visa and was due to be staying in a country I'll refer to as 'A'. Around two months before he was intending to return to the UK, he injured his knee.

He wanted to return to the UK for surgery. Red Sands ultimately concluded this wasn't medically necessary and he could've had the surgery in A, so it didn't cover the cost of his business class seat to fly back to the UK.

Red Sands also concluded that Mr T ought to have registered for Medicare so didn't cover the costs of the medical services connected with his knee injury.

After Mr T complained, Red Sands maintained that it had acted fairly. Unhappy, Mr T brought a complaint to the Financial Ombudsman Service.

Our investigator looked into what happened and partially upheld the complaint. She recommended Red Sands to:

- cover the cost of the return business flight, less the cost of an economy flight (on the basis that Mr T hadn't yet booked a return flight home);
- consider the medical expenses, if any, following Mr T's Medicare claim; and
- pay Mr T £150 compensation for aspects of the claim that should've been handled better.

Red Sands didn't agree that it should be responsible for the cost of Mr T's business class flight back to the UK in the region of £3,500. So, this complaint was passed to me to consider everything afresh to decide.

I issued a provisional decision, explaining why I intended to depart from some of the recommendations made by our investigator. An extract of my provisional decision is set out below:

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In considering what's fair and reasonable in all the circumstances of the case, I've taken into account all relevant law and regulations, regulator's rules, guidance and standards, codes of practice and good industry practice at the relevant time. That includes Red Sands' regulatory obligations (including its obligation to handle insurance fairly and promptly and not to unreasonably decline a claim).

I empathise with Mr T's situation and appreciate why he was keen to return to the UK for surgery. However, I'm not currently satisfied that Red Sands acted unfairly by not covering the cost of the return flight back to the UK, in business class. I'll explain why.

The relevant terms and conditions of the policy

Subject to the remaining terms of the policy, it can cover curtailment of a trip if Mr T is injured abroad provided, he'd contacted the "24/7 assistance team before making arrangements". That includes additional travel expenses to get back to the UK.

The terms say:

evidence is needed to support the reason for curtailment.

I'm satisfied that it's common industry practice for an insurer to request medical evidence to substantiate a claim related to a medical condition and, in the context of a curtailment claim, that includes medical evidence that it is medically necessary to cut short a trip because of injury or illness.

The Curtailment section also says:

If you do not have an original return ticket, you will not be reimbursed for costs incurred for your early return.

Again, subject to the remaining terms and conditions of the policy, it also covers emergency medical and repatriation expenses. That includes cover for:

Additional travel and repatriation costs to be made for you...

And:

Fees or charges for necessary emergency treatment, to be paid outside your home country for medical, surgical, hospital...services.

Provided the insured isn't claiming for:

Any sums which can be recovered by you, and which are covered under any National Insurance Scheme or Reciprocal Health Arrangement.

And:

The cost of early repatriation when medical treatment of a standard acceptable by our 24/7 assistance team is available locally.

The policy also explains about Medicare. It says:

If you are travelling to A, you must register with Medicare on arrival...Registration is free and this will entitle you to reduce medical charges from doctors, reduced prescription charges and access to Medicare hospitals.

And:

Using these agreements in public facilities will mean that medical treatment will be free, or at a reduced cost, and your standard policy excess will be waived from any

claim you may make.

Was it medically necessary for Mr T to return to the UK when he did for surgery?

It isn't disputed that at the time Mr T injured himself, he hadn't booked a return ticket to the UK. He said his work visa was due to end at the end of March 2025 and that also coincided with the date the policy was due to end. When contacting Red Sands about his injury, he's also said that he was planning to return to the UK at the end of the cricket season, also around that time.

Red Sands concluded that if Mr T's surgery took place within the first couple of weeks in February 2025, it's likely he would've been able to have travelled back in economy class, as he'd originally intended in late March.

I've looked at the medical evidence.

The treating doctor's letter dated 5 February 2025 reflects that "given the recovery period following surgery [Mr T] would like to try and return home to the United Kingdom, which I think is sensible...I do not think it will be suitable to fly home in economy with his knee injury, and would be best to fly premium or business to allow him to both move his knee, as well as be comfortable for the long duration of flight..."

However, I don't think this medical evidence supports that it was medically necessary for Mr T to return back to the UK for surgery. It only supports that Mr T's preference to return to the UK was "sensible".

I haven't seen anything which convinces me on the balance of probabilities that Mr T wasn't able to have the surgery he needed within the recommended timeframes in A. If he did return to the UK for surgery, the treating doctor's letter supports that this should be by business class. However, it doesn't say if Mr T remained in A for surgery - and after a period of recovery - it was medically necessary for him to return business class.

The medical evidence supports that recovery from the type of surgery Mr T needed "depends on the severity of the tear...It can take four to eight weeks to heal".

On the balance of probabilities, I'm satisfied that Red Sands has fairly and reasonably concluded - relying on the advice of its medial officer - that Mr T would've sufficiently healed from surgery in A to not require a business class seat back to the UK.

I'm therefore satisfied that as Mr T would've always needed to have bought an economy class ticket to return to the UK, I don't think it's fair and reasonable for Red Sands to cover this expense under the terms of the policy.

Medical costs

When Mr T first contacted Red Sands about his injury, I'm satisfied from the internal contact notes I've been provided with, that he was told that there was no cover in place under the policy for treatment at private medical facilities and that he he'd need to go to a Medicare facility.

I've also seen the follow up email that Mr T was sent and that says:

Kindly please:

1. forward medical report

2. go to a Medicare facility – details of how to enrol and the free treatment available can be found by visiting the MEDICARE website on [website] or by emailing [email address]...

I'm therefore satisfied that Mr T was reasonably made aware of the need to go to a Medicare facility, and the terms of the policy also explain this too.

I understand that the medical attention sought by Mr T didn't take place under the Medicare arrangement. I don't think it would be fair and reasonable to cover the medical costs incurred outside the policy terms.

If Mr T can now register for Medicare retrospectively and claim some of the costs back through that system, he should notify Red Sands – and of the amounts he's been able to successfully recoup. I'd reasonably expect Red Sands to then promptly reconsider the remaining claim for medical expenses in line with the terms of the policy and provide Mr T with a claims' decision.

If Red Sands does end up reassessing the claim for medical expenses (if Mr T is able to recover sums under the Medicare system), I don't think it would be fair and reasonable for it to rely on the following exclusion to decline the claim (which it has also mentioned in correspondence):

You are not covered under any section, unless specified, for any of the following circumstances:

Participation in Manual labour (see definitions in this policy), unless the required premium has been paid...

That's because, although Mr T did have a work visa, the injury didn't take place whilst participating in manual labour.

The handling of the claim

Having looked at Red Sands' internal notes, I'm satisfied that there were times when it should've better managed Mr T's expectations around when it would be able to provide him updates.

This would've then prevented him from having to chase for responses, at a time when he he'd suffered an injury and required surgery. So, it's reasonable to expect him to be worried about what was going on, whether his claim would be covered and whether Red Sands agreed for him to travel back to the UK for the operation (particularly as the operation was time sensitive).

I can see that Red Sands was considering whether the claim was excluded under the policy – for example, because the policy excludes claims relating to the insured being under the influence of alcohol (a blood level that exceeds 0.19% - approximately four pints of beer) and Mr T had said that he'd had five or six beers before the injury took place. Its medical officer was also considering the medical report to see if it was medically necessary for Mr T to return to the UK for surgery.

However, I do think decisions should've been made more promptly in the circumstances. It first denied the claim a number of days after Mr T returned to the UK.

Mr T booked his flight back to the UK promptly after Red Sands had received a medical

report and before it had made a decision about the claim. At that stage, I think it was reasonably made clear to Mr T that it was still considering its position. And although I know why Mr T was keen to have surgery in the UK, he was still within the recommended window for the surgery to take place.

From Mr T's actions, I'm satisfied on the balance of probabilities, that he would've returned to the UK for surgery, even if Red Sands had confirmed its position more quickly. He wanted his support network around him and said he wouldn't have been able to work whilst recovering from his surgery abroad or easily travel to medical appointments. However, I'm not persuaded that those considerations – whilst, of course, valid – mean that it was medically necessary for him to return to the UK.

I do, however, think that he was put to some distress and inconvenience because of having to chase Red Sands for updates and not receiving confirmation of Red Sands' position more quickly. I'm satisfied that £150 compensation fairly reflects the impact of those service issues on him.

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I invited both parties to provide any information in response.

Red Sands provided no additional comment. Mr T didn't accept my provisional decision and raised many points in reply. In summary he said:

- Red Sands was very reassuring when contacted, constantly confirming that he'd be insured and it would either cover the costs of the flight back to the UK or surgery.
- He was advised to apply for Medicare, but Red Sands didn't explicitly say that was the only way he could reclaim medical expenses.
- Mr T applied for Medicare but was told that it could take three to four weeks to be approved. There was a requirement for him to have surgery within two weeks. And on return to the UK, Medicare declined his application.
- He felt he did the right thing by flying back to the UK for the surgery he needed, particularly as Red Sands hadn't verified cover under the policy and surgery was time critical.
- Red Sands took too long to raise concerns about Mr T having consumed alcohol on the day of his injury. And didn't clarify with him what consuming 5/6 beers meant. He was referring to bottles of beers, rather than pints.
- He phoned multiple times for updates but he was told that the matter was still being reviewed and he wasn't given definite timeframes as to when a decision would be made about cover.
- Had Red Sands promptly confirmed that the cost of surgery would be covered and surgery could've been done within a two-week timeframe, he would've stayed in A as he had family in another city at the time, who he might've been able to stay with whilst he recovered.

He also explained why he didn't think £150 compensation was sufficient.

In response to Mr T's further points, I requested more evidence from the parties, which I've now received and reviewed.

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.

That includes the submissions made by Mr T in response to my provisional decision (summarised above). I'm thankful for the further information received but I'm not going to respond to each point made. I hope Mr T understands that no discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every point to fulfil my statutory remit.

I know Mr T will be very disappointed, but the further information received doesn't change my provisional decision. I'll explain why.

- I've listened to the recordings he and his mum had with Red Sands. I'm satisfied that it was made reasonably clear to Mr T that medical expenses would likely be covered by Medicare. During the initial call Mr T had with Red Sands' representative, he was told that he needed to make use of the Medicare system. And that he should go to a Medicare facility, they will accept a British passport and "take care of everything". He was also told how to locate a Medicare facility, that a MRI shouldn't cost anything at a Medicare facility, and that there was no cover under the policy for private medical facilities.
- Having listened to the calls, I'm not persuaded that Red Sands confirmed that it would be covering the costs of the flight back to the UK or surgery in A. He was initially told that a medical report would be needed to enable Red Sands to start verifying cover.
- Mr T has provided a screenshot showing he applied for Medicare and that the acknowledgement said: "if your application is approved, your Medicare card will be posted to you 3 to 4 weeks after we approve your application". However, I'm satisfied that he was also told by Red Sand's representative that a Medicare facility would accept a British passport and there's a reciprocal agreement between the UK and A. I haven't seen anything which convinces me that Mr T did this and was declined treatment at a Medicare facility.
- Mr T also says that Medicare only covers emergency and medically necessary care; treatment needed urgently and can't wait until the person gets home. He's pointed to medical evidence that he was able to return to the UK for surgery. I asked Mr T to provided evidence that Medicare declined his application after he returned to the UK but this hasn't been received. Mr T has provided a copy of a letter setting out what he needs to provide to continue with his Medicare enrolment application. So, I'm not persuaded that this Medicare application has been refused. Further, the policy only covers costs associated with emergency medical treatment and not treatment that can wait until the insured returns home.
- I can understand why Mr T wanted to return back to the UK but if he'd attended a Medicare facility, there's nothing to suggest that he wouldn't have received the treatment he needed within the optimal timeframe in A.

- Mr T has also provided an email from a consultant trauma and orthopaedic knee surgeon in the UK which says that if Mr T had been operated on in A, he couldn't have returned on a long haul for six weeks after his surgery "and potentially would not have needed business class travel as long as there were no complications from his surgery" and that "he potentially could fly economy" if he was out of a brace and could flex his knee 90 degrees. I think that's consistent with Red Sand's opinion that Mr T would've sufficiently healed from surgery in A to not require a business class seat back to the UK if he'd remained in A for surgery. Mr T says that he was unable to flex his knee to 90 degrees within six weeks of his surgery. But I'm not persuaded the medical evidence supports that or that if he remained in Australia for surgery, he would've needed to have returned to the UK on a business class flight.
- I agree that there were unnecessary delays verifying whether there was cover under the policy. Mr T did chase Red Sands several times and didn't receive substantive updates. I accept this would've been worrying and put him to unnecessary inconvenience. I remain satisfied compensation in the sum of £150 fairly reflects the impact of these errors on Mr T.
- I've taken into account what Mr T says about having family members in another city in A that he could've stayed with if he'd had surgery there. However, in his complaint form to the Financial Ombudsman Service, he says he was a lone traveller, unable to work, worried about running out of money and without the support of his family to look after him. So, on the balance of probabilities, I remain satisfied that Mr T would've wanted to return to the UK for surgery even if Red Sands hadn't delayed verifying cover under the policy (rather than remaining in A for surgery).

For reasons set out above and in my provisional decision (an extract of which is set out above and forms part of this final decision), I partially uphold this complaint.

My final decision

I partially uphold this complaint to the extent set out above. I direct Red Sands Insurance Company (Europe) Limited to pay Mr T £150 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 March 2026.

David Curtis-Johnson
Ombudsman