Financial Ombudsman Service

complaint

Mr A is unhappy with the way that Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. dealt with a claim on his travel insurance policy.

background

Mr A was going on holiday abroad and bought his Mapfre policy at the airport. He was given a leaflet explaining that pre-existing conditions weren't covered. When he arrived at his destination abroad he called Mapfre to validate the policy and told it of his pre-existing gall bladder condition. But Mapfre didn't explain that the insurance didn't cover pre-existing medical conditions.

Mr A subsequently became ill and went to hospital abroad about his gallstones. He experienced some problems at the hospital as it didn't recognise his insurance cover. He called Mapfre and his policy was verified. It confirmed to him and the hospital that it would proceed with his case as normal. But Mapfre later refused to deal with the claim as Mr A's gallstone condition was pre-existing.

Even so, Mapfre has subsequently agreed to pay for the cost of Mr A's medical treatment on a goodwill basis as it hadn't told him on the phone that pre-existing conditions weren't covered.

Mr A remains unhappy and wants Mapfre to admit liability.

Our adjudicator thought Mapfre had taken suitable steps to rectify the situation. But as it hadn't given a clear warning about the policy coverage for existing conditions it should also pay interest on the medical expenses Mr A had paid and it'd reimbursed.

Mr A says he's not interested in interest. He wants Mapfre to admit liability. He thought he'd bought 24 hour a day medical insurance. The first place he was directed to in the hospital abroad was the finance desk. But as soon as Mapfre refused payment he'd no cover. In his case this was life threatening. Even though he was an emergency the hospital abroad wouldn't see him until it had a guarantee of payment. Mapfre doesn't understand this or the worry caused. The problem of delay in payment is common in the insurance industry. He wants this highlighted and changed. He's asked for an ombudsman review.

Mapfre doesn't agree it should have to pay interest.

my findings

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

I agree with the adjudicator and her reasons. Even so, I don't think I can reasonably require Mapfre to admit liability as Mr A would like.

Mr A says Mapfre doesn't understand the worry he experienced and he highlights the life threatening nature of the condition he had.

I recognise that Mr A has suffered distress and upset. But I don't think Mapfre was significantly to blame for this. It dealt with the hospital and admission issues appropriately and in a timely way. I think Mr A's distress and upset was predominantly caused by his illness and the admission procedures and state of the hospital abroad. I also think Mr A's upset has been increased by being told of the seriousness of his condition by his GP after he returned to the UK. I don't think I can reasonably require Mapfre to pay Mr A any compensation for the trouble and upset he experienced while abroad.

Mr A is also unhappy with the way Mapfre and the insurance industry deal with claims and payments. My role is to look at what's fair and reasonable in Mr A's complaint against Mapfre. And I've explained that I think Mapfre put things right. I also think Mapfre was entitled to investigate whether a claim is covered. This can take some hours particularly if medical history has to be checked. General issues about how the insurance industry works are a matter for the Financial Conduct Authority.

my final decision

My decision is that Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. should pay Mr A simple interest on the medical expenses it's reimbursed him at the rate of 8% a year from the date he paid them until the date it reimbursed him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 February 2016.

Stephen Cooper
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