

complaint

Mr L's complaint is about the service he received from American Express Insurance Services Europe Limited on his travel insurance policy.

background

Mr L wasn't happy about how American Express had dealt with his travel insurance. In summary, when Mr L renewed his policy he upgraded it to cover more countries. And at the same time he asked if he could later reduce the level of cover. He was told he could. But when that time came American Express didn't accept that it had agreed to do this. Eventually it told Mr L that he could have a refund of £296.60 as a gesture of goodwill but conditional on him taking out a new policy.

But Mr L was unhappy that he had to take another policy to get the refund. And he thought that he lost an additional £40 of the policy when he started a new one at the start of October 2014, rather than at the end of October.

I set out my initial thoughts in a provisional decision that I sent to the parties last month. I thought it had taken American Express too long to get an answer about the initial part of Mr L's complaint. And I found that he was given confusing information about his policies and the level of refund he'd get back. So I thought £150 compensation was fair to reflect the weeks and months Mr L had to wait.

Both Mr L and American Express sent me a reply, which I've found really helpful. The crux of Mr L's reply was that he still thought he lost around £40 of his policy and he was very unhappy at having to take out a policy to get his refund. And he sent me a recording of the original call where he'd upgraded his policy. American Express thought the service given to Mr L was fine and couldn't understand why I thought otherwise. It didn't think I should have awarded Mr L £150 compensation. It said that it was illogical that Mr L would have been told he could downgrade the policy and thought my initial decision was harsh.

my findings

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

Since receiving the replies I've been able to share more details with Mr L and American Express. Mr L now accepts that he hasn't lost an additional £40 of his policy. This is because the refund of £296.60 was the amount from when the policy should have been cancelled in May 2014 to the end of October 2014. So even though Mr L's later policy began at the start of October he'd already received a proportionate refund. In other words he only paid from the end of October 2013 to mid-May 2014.

And the original sales call supported everything that Mr L had said. He was told he could downgrade and what his refund would be (if it happened at the end of April). And he was told that he could take out another policy after that. I passed this information to American Express and it accepted that it had got things wrong all along and was apologetic.

So this just leaves me to look again at the appropriate level of compensation. It was clear that Mr L was needlessly put to trouble and inconvenience for many weeks. And I had thought £150 was appropriate. But having listened to the call and looked at everything again

I can now better appreciate why Mr L was so frustrated at having to take another policy just to get the refund. This wasn't fair and the weeks and months without resolving the matter and not accepting that Mr L had been told he could downgrade increased the frustration and inconvenience. So I think £250 better reflects the trouble, frustration and inconvenience to Mr L.

my final decision

For the reasons here and in my provisional decision my final decision is that I uphold this complaint and require American Express Insurance Services Europe Limited to pay Mr L £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 30 December 2015.

Sean Hamilton
ombudsman