

complaints about travel insurance: the role of the ombudsman service

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about us

- we were set up by law to resolve individual complaints between consumers and financial businesses;
- we provide an alternative to the courts – our approach is inquisitorial rather than adversarial;
- we are independent and impartial so we look carefully at both sides of the story and weigh up all the facts;
- we are not a regulator, we don't act for financial businesses and we aren't a consumer champion;
- consumers are always free to go to court instead - but if they accept our decision then it becomes binding.



how we consider complaints...

- we decide each case on the basis of what we consider to be fair and reasonable in all the circumstances;
- in deciding what is fair and reasonable in all the circumstances we take into account:
 - law and regulations;
 - regulators' rules, guidance and standards
 - codes of practice; and
 - (where appropriate) what is considered to have been good industry practice at the relevant time.



some statistics...

travel insurance complaints



annual trend:
-4%

year ended 31 March

in 2012/13 (Q1-Q3):

- we received 1,911 new complaints about travel insurance;
- this amounted to 0.6% of all new complaints;
- uphold rate of 48% (against an average of 47%);
- our *2012/13 annual review*, set to be published shortly, will include the figures for 2012/13 Q1-Q4.

travel insurance complaints

we already publish a range of information about travel insurance:

- *ombudsman news* (issue 105, Sep/Oct 2012) contains a number of case studies about some of the more common complaints that we see:
 - pre-existing medical conditions
 - lost belongings
 - cancelled holidays
 - automatic policy renewals; and
 - non-disclosure of information
- our *online technical resource* also contains information about how we approach cases involving travel insurance.



case study 1 – lost valuables

the facts?

- consumer left valuables in a suitcase in a locked hotel room and attempted to hide the suitcase;
- valuables were stolen – hotel room had a safety deposit box which was not used;
- policy excludes “any claim for...theft of valuables...not kept on your person or deposited in a safety deposit box”.

what would you do?

- pay the claim
- do not pay the claim

case study 2 – effective curtailment

the facts?

- consumer became ill on holiday in Spain and stayed in hospital in Spain for two weeks before repatriation;
- claim submitted for unused hotel costs starting from the date of hospitalisation in Spain;
- policy wording only covered unused hotel costs after repatriation by the insurer.

what would you do?

- pay the unused hotel costs after repatriation
- pay the unused hotel costs following hospitalisation
- pay nothing



case study 3 – individual circumstances

the facts?

- consumer jumped into water from a 20m bridge sustaining serious injuries;
- this activity was commonplace and a tradition amongst the more adventurous holiday maker;
- policy excluded cover for ‘hazardous activities which present an increased risk of serious injury’.

what would you do?

- pay the claim
- do not pay the claim

conclusion

- not enough time to provide you with an in depth summary of the travel insurance complaints that we consider;
- the whole process begins with a thorough investigation of the facts;
- we will look carefully at both sides of the story and weigh up the facts – these are often complicated cases;
- we will decide each case on the basis of what is fair and reasonable in the circumstances;
- fair and reasonable may (but not always) go beyond a strict literal interpretation of the policy terms and conditions;
- it all depends on the individual circumstances of the case.



any questions?

