

The complaint

Mr H has complained that AWP P&C SA ('AWP') has delayed in settling his claim.

What happened

Mr H has a travel insurance policy, underwritten by AWP. Whilst abroad, Mr H needed medical treatment. He made a claim but AWP delayed in settling the bills.

Following a complaint, AWP agreed to settle the bills and paid some compensation to Mr H. However, AWP continued to delay and so Mr H made a further complaint. This time, AWP offered a further £750 compensation and sent Mr H a list of payments that were due and promised to pay them. But there were still missing payments and further delay.

Mr H referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint and found that AWP had unreasonably delayed matters and should provide Mr H with proof of payment for each of the payments made. In addition, he said the £750 compensation offered by AWP was appropriate for the distress and inconvenience caused to Mr H.

In summary, Mr H said he thought the compensation amount should be higher, but would accept £750, and wanted a final and legally binding decision.

AWP agreed to the investigator's conclusions.

And so the case has been passed to me for a final decision.

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.

Having done so, I agree that this complaint should be upheld. I'll explain why.

The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.

AWP has accepted it has delayed and has continued to delay matters throughout 2023. However, it has now said that all outstanding bills have been paid.

Mr H isn't persuaded that AWP has done what it says it has due to the ongoing delays and his experience. And he says the compensation payment for distress and inconvenience should be £3,000 due to the nature of his job and the potential effect AWP's action might have on his enhanced employment checks in the future.

So the two issues I will consider in this decision are the level of compensation and the information AWP should provide to Mr H, to allay his concerns.

Firstly, I agree that in this case, AWP should provide Mr H with evidence of proof of payment for the bills it has paid as Mr H is concerned that any outstanding debts will affect his security clearance or his future job prospects when he travels back to the same country. I don't think this is an unreasonable request based on AWP's delay and failure to settle the claim sooner than it did. Within 28 days of Mr H accepting my decision, AWP should provide Mr H with a full list and breakdown of what it has paid with evidence of payments made such as receipts or other documentary confirmation of payment.

In relation to the compensation amount, this matter has been going on since 2021. I accept that it can take a number of weeks for insurers to settle claims, request bills, verify amounts and negotiate with providers. But I don't think the amount of time taken by AWP in this case is acceptable.

Mr H had to chase and was provided with promises of settlement but then nothing happened. He has outlined his concerns about how AWP's actions and delay in payment may affect his job. He has also been put to considerable embarrassment as a result of contact with members of his family by debt collectors abroad. This could have been avoided had AWP acted promptly, as it is required to do under the rules.

Taking all of the above into account, and the time period I am considering (2023), I agree that £750 compensation is appropriate. Our compensation award bands are published on our website and this kind of award is for cases where significant disruption and inconvenience has been caused by a business or as a result of its actions. I don't think a higher award is justified as I'm not persuaded that these issues will have a lasting effect now that the debts have been settled.

Mr H is concerned about future problems but AWP will provide him with evidence that all bills have been discharged and the matter settled. If Mr H receives any further contact from hospital providers or debt collectors in relation to outstanding payments, he will need to let AWP know and I would expect AWP to settle any outstanding bills and deal with the matter promptly and as quickly as possible.

My final decision

For the reasons set out above, I uphold this complaint and within 28 days of telling it that Mr H accepts my decision, I direct AWP P&C SA to:

- Pay Mr H £750 compensation.
- Provide Mr H with a detailed breakdown and proof of payment of all bills paid and settled.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 January 2024.

Shamaila Hussain
Ombudsman