

The complaint

Mr and Mrs V complain about U K Insurance Limited's ('UKI's') handling of their travel insurance claim.

Any reference to UKI includes the actions of its agents.

What happened

Mr and Mrs V hold travel insurance cover with UKI through a packaged bank account. In early 2023, Mr V was hospitalised abroad on two occasions. Mr and Mrs V made a claim for Mr V's medical costs, as well as other expenses, which was accepted by UKI.

Mr and Mrs V complained to UKI about its handling of their claim. They thought UKI had caused delays, and there had been poor communication on UKI's part which had caused them unnecessary distress. They were also unhappy they had received invoices/chasers from medical providers directly.

UKI issued two final response letters (19 April 2023 and 1 June 2023). It paid Mr and Mrs V total compensation of £800 for its poor handling of the claim.

Mr and Mrs V brought a complaint to this Service. They were still unhappy that they continued to receive payment reminders from the medical providers.

Our investigator recommended the complaint be upheld. She thought that £1,000 compensation more fairly reflected the impact of UKI's poor handling of the claim, and so recommended that UKI pay an additional £200. She also recommended that UKI write to all the providers involved with Mr V's medical treatment and ask them to send all invoices directly to UKI. Finally, the investigator asked UKI to provide Mr and Mrs V with contact details where they could send any future invoices if received.

UKI didn't accept all our investigator's recommendations, and so the matter has been passed to me to consider.

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.

I've only summarised what has happened above. That's not meant as a discourtesy, it merely reflects the informal nature of this Service.

UKI has already accepted that its handling of the claim was poor, and I would agree. There were numerous errors made which caused Mr and Mrs V unnecessary worry and confusion, at a time when they really needed support from UKI.

UKI particularly caused Mr and Mrs V a lot of distress when they were due to return home. UKI was under the impression that Mr V needed a walking frame for mobility and therefore

required a medical escort on the return flight. I agree with our investigator that this issue could have been easily resolved as Mrs V had confirmed her husband wasn't using a walking frame, and so their return home was unnecessarily delayed.

When a return flight was then booked this initially wasn't direct. Mrs V says she was made to feel as though she was refusing the flight when she questioned the mobility assistance at the layover. There were also issues with the taxi from the UK airport being booked a day early, which led Mr and Mrs V to worry that they had been given the wrong flight details.

I see that UKI accepts that its emails to Mr and Mrs V contained errors and were often poorly worded. It sometimes didn't respond to emails that Mr and Mrs V sent it. And Mr and Mrs V often had to resend information that had already been provided. There were also issues with the payment of Mr and Mrs V's out of pocket expenses.

UKI also accepts there were delays with bills being paid, so Mr and Mrs V have been chased directly for payment by the medical providers (including final demands with threats of debt collection agencies). Mr and Mrs V have explained how embarrassing they have found this, and how much anxiety it has caused Mrs V in particular. I also understand Mrs V had asked UKI to send the guarantee of payment to one medical provider, but UKI accepts there's no record this was sent. That meant Mrs V had to pay that provider herself, though I understand she has since been reimbursed by UKI.

UKI says it has no control over the medical providers choosing to send Mr and Mrs V invoices directly, as it has already given those providers its contact details. I accept this, but given that Mr and Mrs V have continued to receive chasers for payment directly (and are finding this distressing), I think the right thing to do here is for UKI to contact the medical providers and ask them to only correspond with UKI about payments. I would assume that all the invoices have now been paid anyway, and so hopefully there should be no reason for any further reminders to be sent by the providers. Though if the medical providers do send Mr and Mrs V further invoices/chasers, UKI has confirmed the email where Mr and Mrs V can forward these.

UKI has already recognised there was significant shortcomings with its handling of the claim and offered £800 compensation for this. But overall, I agree with our investigator that some further compensation seems appropriate here, which takes into account the impact to Mr and Mrs V when they were in a vulnerable position. In the round, I think £1,000 total compensation seems fair.

My final decision

My final decision is that I uphold this complaint. I require U K Insurance Limited to do the following:

- Pay Mr and Mrs V £200 compensation (in addition to the £800 already paid)*
- Write to all the providers who were involved in Mr V's medical treatment abroad (that UKI is aware of) and ask them to contact it directly regarding any outstanding payments.

*UKI must pay the compensation within 28 days of the date on which we tell it Mr and Mrs V accept my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs V to accept or reject my decision before 6 February 2024.

Chantelle Hurn-Ryan
Ombudsman