

The complaint

Mr B complains about how AWP P&C SA has dealt with his travel insurance claim. My references to AWP include its agents. Mr B is represented by his father in this complaint, but I'll just refer to Mr B.

What happened

Mr B has travel insurance through a bank account. The insurer is AWP.

In August 2022 Mr B and his family went abroad, where his brother lives, for a family occasion. While abroad Mr B's son, who was covered by the insurance, had an accident and was admitted to hospital. On admission Mr B agreed to be guarantor for the costs and he gave the hospital his brother's address as the hospital required an address in the country they were in. Mr B told AWP about the accident and it accepted the claim.

Mr B complains that AWP delayed in settling the medical costs resulting in the medical providers and then debt collectors sending chasing letters for the unpaid costs to him at his brother's address, causing him and his brother a lot of stress. Mr B's brother contacted AWP to ask it to pay the outstanding costs as he didn't want enforcement action on his home.

AWP accepted there had been delays and poor communication. It offered Mr B £80 for his distress and inconvenience, which he rejected.

Mr B complained to us. In summary he said:

- AWP had failed to give any substantive response to his and his brother's communications. His brother was still receiving chasing letters for \$191 for medical costs that were still outstanding.
- AWP's inaction meant he was so stressed that he'd taken medical advice and his father had to represent him in the complaint. There was now a rift in his relationship with his brother and his parents were concerned about possible enforcement action against his brother's home. He couldn't go to see his brother abroad while there were outstanding bills.
- He wants AWP to provide proof that all the costs have been paid and pay compensation of about £2,000 for all his family's distress and inconvenience AWP has caused.

Our investigator explained we couldn't award compensation for Mr B's brother's distress and inconvenience. She recommended that AWP:

- Pay the outstanding account of \$191 from the named medical provider within 28 days of both sides accepting her view and provide Mr B with evidence of payment.
- Send Mr B details of all bill payments it had made – noting that the final payments may be less than the original bills where these have been negotiated.

- Pay Mr B £250, instead of the £80 previously offered, for his distress and inconvenience caused by its poor communication and failure to keep him updated.

AWP accepted the recommendation. Mr B didn't accept and wants an ombudsman's decision. He doesn't think £250 compensation is enough to acknowledge his and his family's inconvenience, frustration and stress. He added:

- AWP hadn't acted in line with the Financial Conduct Authority (FCA) principles for treating customers fairly and communicating information in a way which is clear, fair and not misleading.
- His brother had been involved in the situation through no fault of his own and he detailed why he thought his brother's distress and inconvenience should be taken into account.
- AWP should have contacted the hospital to request that the bills be sent to AWP not to his brother's address and it should do so now. If the hospital had said bills could only be sent to the address given at the time of hospital admission AWP should have told him or his brother.
- AWP should have told him the estimated timescale for the settlement of the account and how to deal with the communication about the bills. He and his family aren't familiar with the workings of the claims system involving medical facilities in the relevant country.
- He emphasised that he and his family want 'closure' of the matter and he wanted to know what would happen if AWP didn't comply with my 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.

I've considered all the points Mr B has made, which I've only summarised above, but I won't address all his points in my findings. I'll focus on the reasons why I've made my decision and the key points which I think are relevant to the outcome of this complaint.

The rules of the relevant regulator, the FCA, say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I've taken into account those rules, the relevant law and industry guidelines in making my decision, which include the FCA principles that Mr B's referred to.

AWP accepts it's provided poor service when dealing with the claim. I need to decide if the £250 compensation for Mr B's distress and inconvenience that it's now agreed to pay is fair and reasonable.

Under the FCA rules (the DISP rules) we can only look into complaints brought by eligible complainants, which the rules define. It follows that we can only award compensation – including awards for distress or inconvenience – to eligible complainants. Mr B's brother doesn't meet the definition of 'eligible complainant'. So even if I thought the evidence showed Mr B's brother had been stressed and inconvenienced by AWP's poor service I can't award any compensation to him or to Mr B to give to his brother. For the same reason I can't award any compensation for any distress and inconvenience Mr B's parents may have had.

The evidence shows Mr B had been contacting AWP regularly about unpaid bills information being sent to his brother's address, his concerns and that he wanted those bills paid. His brother also emailed AWP on the same.

It's usual with medical treatment in the relevant county for the individual medical providers to bill separately and for insurers to negotiate the settlement before paying bills. Insurers are entitled to assess costs they're being asked to pay and the medical providers can agree discounts to medical bills but those negotiations take time.

In those circumstances I think it's fair for an insurer to tell the insured about the assessment process. I agree with Mr B that AWP should have reasonably told him about the likely timescale for bill payment and what to do with the letters to him about the bills.

I think AWP did give him that information in its email of 4 October 2022, which was less than two months after the claim. AWP's email said:

'Please note that hospitals in (the relevant country) sometimes take nearly a year and a half to finalize bills with insurance companies and in the meantime will keep sending invoices to the client.'

'Please don't pay any of these and send a scan or photograph of the letter to us at (its email address).'

Mr B's highlighted that the salutation on the email was to his son, who'd been the patient. But AWP's email was sent to the email address Mr B was using to send his emails to AWP. And the email between Mr B and his brother of 8 November 2022 refers to the contents of AWP's email of 4 October 2020 so Mr B knew the content of AWP's email.

I'm satisfied that early on in the claim assessment process AWP gave Mr B a clear estimate of how long the process would take, that the medical providers would keep sending him bills (which was to the address he'd given the providers) and what should be done with the bills.

AWP's email of 3 January 2023 also gave Mr B information about the billing and claim process, again emphasising that negotiation of the bills:

'can be a lengthy process and the hospital may send you automatic reminders to pay the medical fees for the full amount.'

'This is the reason we require you to forward us all the invoices and reminders you receive from the hospital so we can log it in the case and process it.'

That email was also to Mr B's son but emails between Mr B and his brother show they'd seen AWP's email.

AWP's email of 3 January 2023 also said *'N.B. The non-payment of the invoices due to negotiation, will have no impact on your US entry or credit score'*. So AWP had told Mr B that the outstanding costs being negotiated shouldn't prevent him from travelling to see his brother.

However, I don't think AWP did enough to update Mr B about what was happening with the bills to give him reassurance that they were being actioned. Mr B specifically asked AWP what bills had been paid, receipts of payments and progress of any unpaid bills and I can't see that AWP ever responded. Over time Mr B's brother stopped receiving reminders for most of the bills, so it appears that most have been paid. But it would have been reasonable for AWP to have kept Mr B informed. From Mr B's notes of his phone calls with AWP he also

had some frustrating experiences trying to speak to someone who could help him find out what was happening.

AWP said there had been some delays, although I note that I'm making this decision within the 18 months potential timescale AWP realistically gave Mr B to negotiate and pay finalised bills. I think it's communication with Mr B was generally poor, which AWP accepts.

AWP has now agreed to pay Mr B £250 compensation for his distress and inconvenience due to its poor service. I think that's a fair amount for the distress and inconvenience AWP caused Mr B by its unreasonable actions. I can't fairly award compensation for Mr B's stress due to the standard medical bill claims process in the relevant country which, as AWP told Mr B early on, is likely to be lengthy.

Mr B's brother is still receiving bill reminders for outstanding medical costs of \$191 and AWP hasn't said the bill has been paid. It may be the bill is still being negotiated. But given the comparatively small amount and to give Mr B closure of the matter I think AWP should pay the outstanding account for medical costs of \$191 within the timescale set out below. It should then provide Mr B with evidence of payment.

It would assist Mr B if AWP wrote to the medical provider to ask it to send any future bill reminders to AWP rather than to Mr B's brother's address. Mr B should note that the hospital may well ignore that request and when the bill is paid there should be no more reminders.

AWP must also send Mr B evidence of all the bills it's paid. Mr B should note that the final payments may be less than the original bills where these have been negotiated.

I've no reason to think that AWP won't comply with my decision. But if AWP doesn't comply with my decision Mr B should contact our investigator.

Putting things right

AWP must put things right as I've detailed below.

My final decision

I uphold this complaint and require AWP P&C SA to:

- Pay Mr B £250 compensation for his distress and inconvenience caused by its poor service, as it's now agreed, and
- Pay the outstanding account for medical costs of \$191 within 28 days of us sending it Mr B's acceptance of this decision and then provide Mr B with evidence of payment, and
- Ask the medical provider which is owed the \$191 to send any bill reminders to it rather than to Mr B's brother's address, and
- Send Mr B evidence of all the medical bills it's paid under this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 January 2024.

Nicola Sisk
Ombudsman