

The complaint

Mrs M complains about the way TICORP Limited administered her annual travel insurance policy.

Mrs M held a 'Staysure' branded travel insurance policy. Staysure is a trading name of TICORP. But for ease of reading, I'll refer to Staysure throughout.

What happened

In June 2022, Mrs M took out an annual travel insurance policy through Staysure. During the sales process, she selected the 'Basic' level of cover, which provided cancellation cover up to a limit of £500.

Mrs M was due to go on a cruise in November 2022. Unfortunately, her travelling companion suffered an accident and the cruise had to be cancelled. So Mrs M made a claim on the policy, which the underwriter settled in line with the policy limit of £500 – which was significantly less than the value of Mrs M's trip.

Around the same time, as she wished to book another trip, Mrs M asked Staysure whether her policy could be upgraded to the 'Comprehensive' level of cover. Staysure said it would need to refer her request to the policy underwriter. It appears that the referral wasn't made until late January 2023.

On 8 February 2023, Mrs M called Staysure again to chase up her request. At this point, the call handler wrongly told Mrs M that her policy could be upgraded to provide 'Comprehensive' cover and they charged her an additional premium. But later that day, Mrs M was told that the policy shouldn't have been upgraded. That's because Mrs M had already travelled while the policy was in force. Staysure confirmed that the policy shouldn't have been upgraded a few days later. It cancelled Mrs M's policy and refunded her the full refund of the premium she'd paid for the policy.

As Mrs M was unhappy with the way Staysure had administered her policy, she complained. Staysure apologised for the delay in referring Mrs M's request to the policy underwriter and for its error in upgrading her policy when this option hadn't been available to her. So it offered to pay her £30 compensation on top of the premium refund it had already paid.

Mrs M remained unhappy with Staysure's offer and so she asked us to look into her complaint. She felt she'd lost the chance to book a holiday due to the delay in Staysure referring her cover query to the underwriter.

Our investigator didn't think Staysure's compensation offer went far enough to put things right. She felt it had been fair for Staysure to refund the premiums Mrs M had paid for the policy. And she didn't think Mrs M had shown she'd suffered a financial loss as a result of being unable to book a holiday while Staysure referred the matter to the underwriter. But she felt Staysure should pay Mrs M £75 compensation to reflect its errors in the delay in referring Mrs M's request and for its error in wrongly upgrading the policy.

Staysure accepted the investigator's recommendation, but Mrs M didn't. So the complaint's been passed to me to decide.

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, whilst I'm sorry to disappoint Mrs M, I think that by refunding Mrs M's full premium, together with it's agreement to pay Mrs M £75 compensation, Staysure has now made a fair offer to put things right. I'll explain why.

First, I must make it clear that this decision will only consider Staysure's administration of Mrs M's policy. A complaint about the settlement she was paid by the underwriter has already been separately considered by this service.

Staysure accepts it made errors in the administration of Mrs M's policy. It acknowledges that it should have referred Mrs M's request to upgrade her policy to Comprehensive cover to the policy underwriter sooner than it did. There was clearly a delay of some weeks in it doing so. I don't doubt that this delay caused Mrs M frustration and upset when she was seeking to book a new trip. That's because I can entirely understand why she wanted to ensure she had a higher level of cancellation cover before going ahead and booking a holiday.

It's clear too that following the delay in referring Mrs M's request to the underwriter, Staysure wrongly told Mrs M that her policy could be upgraded and she paid an additional premium for Comprehensive cover. While Staysure told Mrs M that the upgrade had been an error on the same day it took place, I appreciate that this further error is likely to have unnecessarily raised Mrs M's expectations about her policy. And I understand that it must've been even more frustrating for Mrs M, likely causing her additional inconvenience.

So I now need to think about how I think Staysure should put things right. Staysure paid Mrs M a full refund of her premium. In the circumstances, I think this was a very fair response from Staysure. I say that because Mrs M did make a successful claim on the policy, which significantly exceeded the premium she paid for the insurance policy. And it's clear that she did benefit from the contract.

In my view, an additional amount of £75 is fair compensation to reflect the nature of the Staysure's errors and the upset and inconvenience these caused Mrs M. I appreciate Mrs M feels strongly that she was prevented from booking a holiday during the delay period and that this caused her some upset. But I'm mindful that Mrs M didn't suffer any *actual* financial loss as a result of Staysure's errors. That's because she didn't book a holiday during that period, which she was unable to take because of Staysure's delay in referring the upgrade request to the underwriter. So I don't think it would be fair to compensate her for a holiday she didn't book. And I'm satisfied that a compensation amount of £75 is a fair and proportionate award to recognise the likely impact of Staysure's errors on Mrs M. I was pleased to note that Staysure accepted the investigator's recommendation on this point.

So overall, I find that Staysure's offer to pay Mrs M £75 compensation, alongside its prior refund of her premium and apology for its errors, is fair and reasonable in all the circumstances.

My final decision

For the reasons I've given above, my final decision is that Staysure has now made a fair offer to settle Mrs M's complaint.

I direct TICORP Limited to pay Mrs M £75 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 28 July 2023.

Lisa Barham
Ombudsman