

## **The complaint**

Mr G and Miss Z are unhappy with the way AXA Insurance UK Plc (AXA) handled their travel insurance claim.

Any reference to AXA includes all its agents.

## **What happened**

Mr G and Miss Z took out a single trip travel insurance policy in May 2022 which covered their trip from 2 June 2022 to 12 June 2022. The policy was underwritten by AXA.

While on their trip, Mr G was admitted to hospital for a medical condition he suffered from. On 11 June 2022, he had an operation at the hospital. Mr G and Miss Z say that they experienced communication issues and delays in the way AXA handled their claim while they were abroad.

They made a complaint to AXA. It responded and said it agreed there was a lack of updates and communication and delays were caused. It also said some of the delays and issues were caused due to waiting for the medical information for Mr G. It apologised for its failings and offered £250 compensation for the distress and inconvenience caused.

Unhappy with AXA's response, Mr G and Miss Z brought their complaint to this service. Our investigator looked into it. She partially upheld the complaint. She agreed there were failings in AXA's customer service and delays could have been avoided. While AXA identified and apologised for these, she recommended AXA award a further £150 compensation in addition to the £250 for the distress and inconvenience caused to Mr G and Miss Z.

Our investigator also recommended AXA should pay Mr G and Miss Z the hospital benefit set out in the policy terms and conditions and add 8% simple interest per annum from 2 August 2022 (the date AXA could reasonably have paid the benefit) to the date of settlement.

AXA responded and accepted the investigator's recommendations.

Mr G and Miss Z asked for the complaint to be referred to an ombudsman. So, it's been passed to me. In summary they say AXA failed to help them while abroad in hospital, they failed them as their customers and caused abnormal discomfort and stress. They would like cover for private medical care arranged for Mr G as if he'd been repatriated to the UK and was promised by AXA initially. They also say they suffered loss of earnings due to not being able to return to the UK as they were expecting to do so.

## **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.

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly.

The key issue that's in dispute now is the £250 compensation AXA has offered. Mr G and Miss Z say they suffered significant distress and inconvenience as a result of AXA's handling of the claim and the service it provided. They say the £250 compensation offered AXA by doesn't reflect the impact that was caused to them and it's not fair and reasonable for what happened. Mr G and Miss Z also think £400 recommended by the investigator isn't fair for the impact caused to them. I will therefore be focusing mainly on this issue.

I appreciate and acknowledge that Mr G and Miss Z went through a traumatic experience and dealing with everything that followed must have been difficult and challenging, particularly as they were abroad. I also understand the difficulties Miss Z faced having to deal with arranging treatment with AXA and the hospital and dealing with Mr G's operation.

I've considered everything carefully and looked at what happened from the date Mr G became unwell in June 2022. Having done so, I think £400 total compensation is fair and reasonable in the circumstances. I'll explain why and have provided my reasons as follows:

*Is the compensation amount fair and reasonable?*

- Miss Z has said that her understanding was that Mr G would be repatriated to the UK immediately rather than staying abroad so that he can get the care he needed near home. I've considered and looked at the information provided and can see why Miss Z thought AXA was going to repatriate Mr G. It's unusual for an insurer to repatriate a policyholder immediately unless they had instructions from a medical doctor to do so. The patient would need a 'fit to fly' certificate authorised by a qualified medical doctor and the claim would have needed to be accepted. I can see in the notes that Mr G wasn't fit to fly when he was taken to the hospital and can see that AXA needed to see his medical information before authorising this. While I appreciate that Mr G would have had access to the NHS in the UK, I'm not persuaded this would have been a quicker process had he been flown back to the UK. And, in any case, it seems that Mr G wasn't fit to fly in the condition he was in at the time. I don't agree therefore that AXA ought to cover Mr G for any private medical treatment because even though the communication could have been clearer, there was no go ahead given for Mr G to be flown home immediately. There's also no cover for this under their travel policy.
- Having considered carefully everything that's happened, I can see that there clearly has been an impact caused to Mr G and Miss Z. And I don't underestimate the difficulties they faced while dealing with getting treatment for Mr G as well as having to reach the hospital while he was there and having to find suitable accommodation near the hospital. I can see numerous calls were made between Miss Z and AXA. I understand that there was a delay in obtaining medical records which could have been avoided and an agent could also have been appointed to help liaise with the hospital earlier on in the claim. AXA also was informed that Mr G and Miss Z were due to return by flight to the UK on 23 June 2022. However, I can't see that AXA made attempts to contact them or check that they had the correct arrangements bearing in mind Mr G had an operation he was recovering from.
- I've carefully reviewed the claims handling and the service provided by AXA. I do think that there were failings along the way. AXA could have handled the claim better and it could have communicated better and avoided the delays that occurred. I can see that it has gone some way to recognise this, but I agree with the investigator that

there has been an impact on Mr G and Miss Z which means that a further £150 compensation for the distress and inconvenience is fair and reasonable. So, in total, AXA should award £400 for the distress and inconvenience caused to them.

- The awards we recommend for such circumstances recognise the impact caused and are generally modest. Based on what's happened on this complaint, while I know that Mr G and Miss Z will be disappointed, I think £400 is fair and reasonable in the circumstances.

#### Hospital benefit

- Under section C of Mr G and Miss Z's travel policy, I can see that there is cover for Hospital Benefit which AXA hasn't considered as part of the claim. If it hasn't already done so, it should now pay this benefit in accordance with this section of the policy terms and conditions. I can see it's already accepted this in the investigator's findings.

#### Loss of earnings

- I understand AXA has now settled Mr G and Miss Z's claim in line with their policy terms and conditions. Miss Z has said she would like to be covered for her loss of earnings due to extending her stay. I've looked at the policy terms and conditions and this is excluded from their travel policy. So, I'm satisfied AXA declined this part of the claim fairly or reasonably.

#### **Putting things right**

To resolve Mr G and Miss Z's complaint, AXA should:

- Pay £400 total compensation for the poor service it provided in handling the claim.
- Pay the hospital benefit in line with the terms and conditions of their travel policy and add 8% simple interest per annum from 2 August 2022 to the date of settlement.
- Pay the compensation within 28 days of the date on which we tell it Mr G and Miss Z accept my final decision.

#### **My final decision**

My final decision is that I partially uphold Mr G and Miss Z's complaint about AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Miss Z to accept or reject my decision before 22 June 2023.

Nimisha Radia  
**Ombudsman**