

## **The complaint**

Mr and Mrs S have complained that Astrenska Insurance Limited mis-handled a claim they made on a travel insurance policy, resulting in delay and poor service.

Astrenska are the underwriters of the policy. Part of this complaint concerns the actions of Astrenska's agent who were acting as its claim handlers. Any reference to Astrenska therefore includes the actions of its agent.

As it is Mr S making the complaint on behalf of himself and his wife, I will mostly just be referring to Mr S in this decision.

## **What happened**

Mr S first contacted Astrenska to register the claim on 14 November 2022. He has complained about a number of failings in the claims process that resulted in a lack of timely progression. The claim was finally settled on 18 May 2023.

In response to the complaint, Astrenska accepted that Mr S had spent a significant amount of time and effort pursuing the claim. It apologised and ultimately offered £150 compensation for the inconvenience caused.

Our investigator thought that Astrenska's response to the complaint was reasonable. Mr S disagrees and so the complaint has been passed to me for a 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.

There's no doubt that the assessment of the claim was far from smooth. Amongst other things, information that could have been asked for at the beginning of the process wasn't requested until much later. Mr S was having to regularly check if progress was being made and promised call backs didn't happen, leading him to have to chase further.

However, it's not in dispute that there was poor service and delay. The matter at hand is whether the offer of £150 is reasonable compensation for the errors that occurred.

Mr S says the delay caused him actual financial loss. He says he had expected the claim to be agreed within 3-4 weeks and had therefore earmarked the settlement amount to make a payment that fell due at the end of December 2022 which was for around the same amount. Because he didn't then receive the settlement, he had to liquidate some investments to make his payment, thereby losing out on the growth that the funds experienced from that period.

Mr S hasn't provided any proof of the funds being liquidated or information about other means, such as cash savings. Of course, I completely understand why he wouldn't want to

share details of his personal finances. But as our investigator has said, it hasn't been evidenced that cashing out some of his portfolio was the only course of action available.

When considering consequential loss, I am looking for any losses that flow directly from the delay caused by Astranska.

Mr S's wife was declared unfit to travel on 14 November 2022. Prior to that he would have had no expectation of funds becoming available from a claim settlement. So he would have already been planning how he was going to make the upcoming December payment, which was a pre-existing commitment. The suggestion is that, in the absence of the claim settlement, liquidating his investments was the only means he had of paying this commitment. So, prior to the date of claim, he would presumably have been planning this course of action anyway. So the position he found himself in wasn't too dissimilar from the position he expected to be in in any event.

I've thought very carefully about what Mr S has said about him being uninvested whilst Astranska had the benefit of those funds (or, as he puts it, remained invested) during the delay period. Having made the claim, I can understand that Mr S would suddenly have had the hope that payment would be made in time so that he could use that to make the December payment instead. But I'm not persuaded that means Astranska should cover any financial loss.

The loss of expectation that he'd be able to use the claim settlement to make the December payment more appropriately forms part of the compensation for distress and inconvenience, which I will come onto now.

Our approach to compensation of this type is set out on our website, which our investigator has previously referred Mr S to. The awards we make are more modest than Mr S might expect.

Again, I've thought about what Mr S has said about the impact the poor service and delay had. However, overall, I agree with our investigator that Astranska's offer of £150 is reasonable and proportionate in the circumstances. It follows that I do not uphold the complaint.

### **My final decision**

For the reasons set out above, my decision is that I do not uphold Mr and Mrs S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 16 February 2024.

Carole Clark

**Ombudsman**