

The complaint

Miss F and Mr H complain about the way Rock Insurance Services Limited administered their travel insurance policy.

What happened

The background to this complaint is well-known to both parties. So I've set out a summary of what I think are the key events.

On 9 May 2023, Miss F took out an annual travel insurance policy online through F, which covered her as the lead policyholder and Mr H as an additional policyholder. However, due to an error, a second policy was generated, which listed Mr H as the lead policyholder. Miss F was charged for two policies and her bank account went into unauthorised overdraft.

So Miss F contacted Rock and asked it to cancel the second policy. However, it cancelled the first policy which named Miss F as lead policyholder. This meant that when Miss F called Rock to amend the policy to list her as lead policyholder, Rock told her that it couldn't discuss the policy with her and it would need to speak with Mr H.

Unhappy with Rock's position, Miss F and Mr H complained. While they were able to travel using the second, active policy, Miss F said that being named as lead policyholder was important to her, both given Mr H's working arrangements and because it was important to her to be able to speak directly with Rock when she needed to.

Ultimately, Rock didn't amend the policy in line with Miss F and Mr H's request until October 2023, at the point it looked into their complaint. It offered them £30 compensation.

Remaining unhappy with the way Rock had administered their policy, Miss F and Mr H asked us to look into their complaint.

Our investigator didn't think the £30 compensation Rock had offered Miss F and Mr H was enough to reflect the impact of the situation on them. So he recommended that Rock should pay Miss F and Mr H total compensation of £100.

Rock disagreed and 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, I think the fair outcome to this complaint is for Rock to pay Miss F and Mr H total compensation of £100 and I'll explain why.

The relevant regulator's principles say that financial businesses should pay due regard to the interests of their customers and treat them fairly. I've taken those rules into account, amongst other things, when deciding whether I think Rock treated Miss F and Mr H fairly.

There's no dispute that two insurance policies were generated for Miss F and Mr H, which provided duplicate cover. It appears this was caused by a system error. I can see from the policy documentation that the policy Miss F wanted listed her as the lead policyholder. And the effective duplicate policy listed Mr H as lead policyholder. The issuing of two policies led to Miss F's account being charged twice and placed into overdraft.

It's clear that once Miss F contacted Rock regarding the duplication, it acted quickly to cancel one of the policies, doing so the day after it had been set-up. And it promptly issued a refund. Nonetheless, Miss F says she had to borrow money from a family member to cover the duplicate debit until the money was received back into her account and she was charged a small overdraft fee.

But when Rock cancelled one of the policies, it incorrectly cancelled the contract listing Miss F as the lead policyholder. This was contrary to the clear instruction Miss F gave Rock by email – a copy of which I've seen. And as a result of this mistake, Rock wasn't then in a position to amend the policy in line with Miss F and Mr H's requirements because it said it needed to speak directly with Mr H to do so. The evidence indicates that the contract wasn't ultimately amended until October 2023 – around five months later.

I appreciate Miss F and Mr H say they were able to make use of the policy prior to its amendment in October 2023. And I've borne this in mind when thinking about what fair compensation should be. But I also need to consider the impact this matter had on Miss F and Mr H.

In my view, a systems error led to two policies being issued. As I've said, this caused Miss F's account to be placed in overdraft and she said she had to borrow money from a family member. I don't doubt how frustrating this was for Miss F and Mr H and that it caused them some degree of trouble and inconvenience in trying to resolve things.

Miss F has also given us clear testimony about why being the lead policyholder was important to her – in particular, that Mr H often works away; that she travels without Mr H at times and that it causes her anxiety if she's unable to speak with her travel insurer directly. But the policy wasn't amended for around a five-month period – which I consider to be an unreasonable delay and which directly flowed from Rock's error in cancelling the wrong policy. And I think it's likely this caused Miss F additional, unnecessary worry and upset.

So in the round, I don't think Rock's offer to pay Miss F and Mr H £30 is enough to reflect the impact of its administration of the policy on them. Instead, I think a total award of £100 is fair, reasonable and proportionate to reflect the likely trouble, upset and inconvenience Miss F and Mr H were put to as a result of its mistakes. Therefore, I'm directing Rock to pay Miss F and Mr H £100 compensation.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint.

I direct Rock Insurance Services Limited to pay Miss F and Mr H total compensation of £100.

Rock must pay this compensation within 28 days of the date Miss F and Mr H let us know they accept my decision

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F and Mr H to accept or reject my decision before 16 May 2024.

Lisa Barham
Ombudsman