

## **The complaint**

Miss P is unhappy with the service she received from Union Reiseversicherung AG when she made a claim on her travel insurance policy.

## **What happened**

In June 2019 Miss P was on holiday with her boyfriend, Mr S, when she became very unwell. She was referred to the nearest hospital by the local clinic and, upon arrival at the hospital, was diagnosed with a kidney stone and infection. The hospital wanted to carry out surgery straight away because of the severity of the infection. She says that when she provided details of her insurer she was told, in summary, they were black-listed because they don't pay bills.

Having spent a long time on the phone to URV Miss P's boyfriend was told to move her to a public hospital and to walk out of the hospital they were in, pretending they had no money. They were sent to a different hospital, which was a public facility, which URV said would be able to treat Miss P. On arrival there Miss P was again told that hospital wouldn't work with URV because of issues with payment. She also said the hospital wasn't clean. Whilst waiting for a call from URV, Mr S took Miss P back to the local clinic. Mr S called URV and spent a long time trying to get through to URV and he was also placed on hold.

URV then recommended a third hospital, this was now around 12 hours since Miss P had learned she needed surgery. On arriving at the third hospital Miss P was treated but Mr S says he was told by the hospital they'd need proof from URV they'd pay the medical expenses which led to further calls with URV. Miss P said that the whole experience was traumatic and scary for her and Mr S. Miss P complained to URV.

In their final response letter URV acknowledged that the standard of service in relation to the phone calls wasn't in line with their usual standards and explained that they had experienced an unexpectedly high volume of calls during May to June 2019 due to the Easter and Spring Bank Holidays. However, they acknowledged this wasn't acceptable and offered £150 compensation. They also explained that Miss P's policy didn't cover private medical treatment unless it was authorised by URV and set out their concerns that private facilities may not always be equipped for emergencies, have been known to provide unnecessary treatment at inflated prices and use bullying tactics to ensure payment upfront. Miss P complained to our service.

Our investigator looked into what happened and upheld the complaint. She recommended URV pay a further £150 compensation as she thought they could have done more to assist Miss P, for example by helping with her transfer between the hospitals and by phoning ahead to ensure things went smoothly when she arrived. But she didn't think that the conduct of the hospitals was URV's fault. The investigator also clarified with URV whether the hospital benefit and other expenses had been paid. URV said they'd not yet received a claim form from Miss P and therefore it hadn't yet assessed the other expenses she was claiming for, such as phone bills.

URV accepted the investigator's recommendation but Miss P didn't agree. She said that the issue with the hospitals was a problem known to URV and there was nothing about this in the policy documents. She told us it was outrageous to be told not to pay the hospital, particularly given the situation they were in. Finally, she said that this could have had a fatal conclusion and she was worried about the long-term implications on her health. So, I need to make 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.

The Financial Conduct Authority (FCA) Handbook sets out a number of Principles for Businesses, which URV must follow, including:

*Principle 2 – A firm must conduct its business with due care, skill and diligence*

*Principle 6 - A firm must pay due regard to the interests of its customers and treat them fairly*

*Principle 8 – A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.*

The relevant FCA regulations also include ICOBS 8.1.1R which says:

An insurer must:

- (1) handle claims promptly and fairly;*
- (2) provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress*
- (3) not unreasonably reject a claim (including by terminating or avoiding a policy); and*
- (4) settle claims promptly once settlement terms are agreed.*

The policy terms and conditions say:

*Your policy covers treatment at a public/state facility only – unless approved by us*

Under the section things to be aware of/remember it says:

*Your policy does not cover any costs private medical treatment unless authorised by us.*

I'll now explain what this means for Miss P's complaint.

I'm upholding this complaint but I'm not directing URV to pay any further compensation as I think the total of £300 compensation is fair. I say that because:

- I accept that Miss P had a traumatic and frightening experience. It's clear that she was in a lot of pain when she became ill and I don't doubt what she's said about how she felt during the time that she was trying to get treatment. I also appreciate what she's said about the potential implications of the delay in getting treatment. However, I can only make my decision based on what did happen, rather than what might have happened. Fortunately, Miss P was able to access treatment and there's no medical evidence to suggest that the delay has impacted on her longer-term health
- It wasn't unreasonable for URV to ask Miss P to attend a public hospital, rather than a private hospital. It's not uncommon for travel insurers to ask policyholders to access public treatment. And, whilst Miss P needed surgery, the medical evidence indicates she was medically stable and able to transfer to the public facility
- The hospitals refusal to treat Miss P is something I'd expect URV to learn from. If URV weren't aware that their customers may not be able to access treatment in a number of hospitals in the area Miss P was visiting, they are now. And I'd expect them to take any appropriate action to ensure that other customers don't face similar issues. But I don't have any clear evidence in this case indicating that URV were aware of this when Miss P took out her policy with them. So, this doesn't change my thoughts about the overall outcome of Miss P's complaint
- I accept that there were failings on URV's part in this case. It's disappointing to hear that Miss P struggled to contact URV and spent a lot of time on hold. As a travel insurer I'd expect URV to be suitably resourced to meet the demand of its customers, particularly at times of the year when it is likely to be busy. I can also understand why it was surprising and worrying for Miss P to hear her insurer say that she should walk out and pretend she didn't have money. But I note that the call handler stayed on the line to ensure that Miss P left safely and explained to Mr S that he could tell the hospital that the outstanding bills should be sent to URV
- The second hospital was a public hospital which also refused to treat Miss P. She says that was also to do with issues between the hospital and URV relating to billing, although there's no independent evidence to confirm that was the case. I am aware that Miss P was in a lot of pain and I can understand how frustrating these additional delays must have been. I also think that URV could have been more proactive in supporting her and ensuring her admission to the second and third hospitals went as smoothly as possible. Had URV contacted the public hospital before sending Miss P there it's unlikely she'd have been directed there, given that the hospital said it wouldn't work with URV. However, I think the total award of £300 fairly reflects the distress and inconvenience caused to Miss P by what went wrong
- Mr S isn't named on the policy schedule, and therefore isn't party to the contract of insurance. That means I'm unable to make any award for the distress and inconvenience he experienced as he wasn't a policyholder

- I understand that Mr S paid for some of the medical bills and that Miss P wants to claim for this and telephone call costs. She'll need to submit a claim form to URV who will then consider the claim. I haven't made any finding in relation to the settlement of the claim in my decision. My decision relates to the service received in when Miss P contacted URV for emergency assistance.

### **Putting things right**

URV needs to pay a further £150 to Miss P bringing the total compensation to £300.

### **My final decision**

I'm upholding Miss P's complaint and I'm directing Union Reiseversicherung AG to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 20 October 2020.

Anna Wilshaw  
**Ombudsman**