

The complaint

Mr and Mrs M are unhappy with the way Admiral Insurance (Gibraltar) Limited handled a claim made under their travel insurance policy, including declining their claim made under the policy for cancellation of their holiday.

What happened

Mr and Mrs M made a claim on the policy to cover their out-of-pocket expenses when cancelling a cruise holiday because Mr M was very sadly diagnosed with cancer, requiring urgent treatment.

Admiral declined the claim because Mr and Mrs M hadn't bought optional cruise cover when taking out their travel insurance – which was a yearly policy providing cover for multiple trips. And without buying optional cruise cover, the policy contained an exclusion that the policy didn't cover any part of a trip comprising a cruise.

Unhappy Mr and Mrs M complained to Admiral.

Admiral maintained its decision to decline the claim. However, it did accept that there had been a delay. It paid £30 compensation to recognise this.

Mr and Mrs M complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold their complaint. Mr and Mrs M disagreed so I've been passed this complaint to consider everything afresh 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.

Admiral has a regulatory obligation to handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

I know Mr and Mrs M will be disappointed but the following reasons I'm satisfied Admiral has fairly and reasonably declined their claim.

- The policy does provide cover for cancellation due to illness. However, that's subject to the remaining terms and conditions of the policy.
- The policy terms and conditions contain general exclusions which apply to all sections of the policy, including the cancellation section. Exclusion 23 says Admiral won't pay any claim which is in any way caused by or resulting from: "your trip or part of your trip being a cruise, unless you have included our additional cruise cover and paid the appropriate additional premium. If you have this cover it will be shown on your policy schedule".
- I'm satisfied the relevant policy schedule reflects that Mr and Mrs M hadn't bought

optional cruise cover. And Mr and Mrs M accept that they didn't buy this at the time.

- So, under the terms and conditions of the policy, I think the claim for cancellation of the cruise holiday is excluded.
- I've considered whether it's fair and reasonable for Admiral to rely on the cruise exclusion in the circumstances of this particular case and I think it is.
- Mr and Mrs M say they believed optional cruise cover only covered them for issues once the cruise started. The optional cruise cover section of the policy reflects that it covers events such as missed port departure, cruise cabin confinement, unused excursions, cruise itinerary change and cruise interruption. So, as they had no intention of taking a cruise holiday when taking out the policy and only booked their cruise holiday late into the policy year (scheduled for after the policy year ended), Mr and Mrs M say they had intended to add cruise cover at the next policy renewal.
- I understand the points Mr and Mrs M make. But at the top of section 12 - cruise cover – I think it makes clear that this cover is only included if the extra premium has been paid. Further, it says "you must include this additional cover if any part of your trip will include a cruise".
- Further, "important information" is set out on a separate page at the start of the additional cover section of the policy terms. It explains that the following sections of cover can be included and "if your trip will include winter sports activities or a cruise, you must add the relevant covers". It then provides a telephone number to call if the policyholder wishes to add any additional cover.
- Further, I've considered the Insurance Product Information Document (IPID) – which doesn't form part of the insurance contract between Mr and Mrs M and Admiral – but does summarise the key terms including what is and isn't covered under the policy.
- It says on page 1 (under the heading: 'what extra cover can be added (optional)?') "Cruise cover: up to £750 for specified cruise related incidents... This optional cover must be included if going on a cruise trip or the policy will not provide any cover for it".
- I'm satisfied that the IPID and the terms and conditions are sufficiently and reasonably clear, that unless optional cruise cover has been bought as an add on to the policy, Admiral won't cover any claim relating to a cruise (not just those insured events superficially included in the cruise cover section of the policy).

Admiral has paid Mr and Mrs M £30 compensation for delays.

Despite being asked by our investigator, neither party has provided much detail about the delays which occurred.

So, I'm satisfied that £30 compensation fairly reflects the distress and inconvenience Mr and Mrs M may have experienced because of any delay caused by Admiral handling and/or providing an outcome to the claim.

My final decision

I don't uphold Mr and Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 5 December 2023.

David Curtis-Johnson
Ombudsman