

The complaint

Mrs H, Mr H and Ms H complain because Astrenska Insurance Limited hasn't paid a claim under their travel insurance policy.

All references to Astrenska include the agents appointed to administer claims on its behalf.

What happened

Mrs H, Mr H and Ms H held an annual travel insurance policy, provided by Astrenska.

Mrs H, Mr H and Ms H were on holiday abroad with other family members who weren't insured under this policy. They missed the first part of their return train journey (from a city which I'll call 'A' to a city which I'll call 'P') because a taxi which their hotel had pre-booked failed to arrive. Mrs H, Mr H and Ms H instead took a different route to P and missed the transport they'd originally booked from P back to the UK. They stayed overnight in P and took the next available international train home the following day.

Mrs H, Mr H and Ms H made a claim under their policy with Astrenska for their additional travel and accommodation costs as a result of missing the trains in A and P.

Astrenska paid Mrs H, Mr H and Ms H a fixed benefit, after deduction of the relevant policy excesses, under the 'Enforced Stay' section of their cover. Astrenska said the additional costs Mrs H, Mr H and Ms H were claiming for weren't covered under the 'Missed Departure' section of their policy because a taxi didn't fall within the definition of 'public transport'. Mrs H, Mr H and Ms H disputed Astrenska's decision and Astrenska subsequently said it didn't think their 'Missed Departure' claim was covered because Mrs H, Mr H and Ms H hadn't allowed enough time to reach their train's departure point in A. Astrenska also said it thought the hotel was responsible for Mrs H, Mr H and Ms H's financial loss.

Unhappy, Mrs H, Mr H and Ms H brought a complaint to the attention of our service. One of our investigators looked into what had happened. She considered Astrenska's further submissions that the 'Missed Departure' claim wasn't covered because it didn't relate to the final part of Mrs H, Mr H and Ms H's journey. Ultimately, our investigator didn't think that Astrenska had acted fairly or reasonably by declining the claim. Astrenska didn't respond to our investigator's opinion, so the complaint was referred to me. I issued my provisional decision about this complaint in December 2023. In it, I said:

'Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims promptly and fairly and shouldn't unreasonably reject a claim. The rules also say that insurers should provide a policyholder with appropriate information about the progress of a claim. I've taken these rules into account when making my provisional decision about Mrs H, Mr H and Ms H's complaint.'

The terms and conditions of Mrs H, Mr H and Ms H's insurance policy, under the heading 'Missed Departure', say that Astrenska will:

'... cover you for the extra accommodation and travel costs you have to pay to reach

your destination if you arrive at the final point of departure too late to board the ... train in which you are booked to travel ... on the final part of your return journey as a direct result of:

1. Failure of scheduled public transport services ...'

The policy definition of 'scheduled public transport' specifically lists a taxi as being included.

So, I'm satisfied that the initial reason which Astrenska gave Mrs H, Mr H and Ms H for declining their claim wasn't fair or reasonable in the circumstances.

Astrenska subsequently said Mrs H, Mr H and Ms H didn't leave enough time to reach their train's departure point in A. However, Mrs H, Mr H and Ms H have said – and information available online confirms – that the hotel they were staying at was a 10-to-13-minute journey from the train station they were due to depart from. The train was due to depart at 15.40 and the train operator's website advises travellers to turn up 20 minutes before departure – meaning that Mrs H, Mr H and Ms H needed to be there no later than 15.20. Mrs H, Mr H and Ms H have said their taxi was booked to arrive at 14.45, so they'd have been due to arrive at the train station between 14.55 and 15.00. Based on the timings in this case and the distances involved, I don't think it was fair or reasonable in the circumstances for Astrenska to decline the claim on the basis that Mrs H, Mr H and Ms H didn't allow enough time for their journey. I also don't think the costs which Mrs H, Mr H and Ms H are claiming for can fairly be considered as being recoverable from their hotel. I'm not aware of any reason why the hotel could or should be held responsible for what happened.

Finally, Astrenska says the 'Missed Departure' section of cover only applies if a policyholder misses the final leg of their return journey. I interpret the 'Missed Departure' section of the policy which I've quoted above as providing cover if a policyholder arrives at the final point of departure too late to board the train on the final part of their return journey. This is exactly what happened here – Mrs H, Mr H and Ms H arrived at P too late to catch their train back to the UK, which was the last leg of their return journey – and incurred additional costs as a result.

I understand that the reason Mrs H, Mr H and Ms H arrived late at P was because they'd missed a train connection from A. Astrenska says their claim isn't covered because the original missed train wasn't the final leg of their journey. Our service's long-standing approach to cases like this is that we'd generally consider any gap in policy cover for connecting transportation to be a significant exclusion which needs to be clearly brought to the policyholder's attention in the policy documentation. The 'Insurance Product Information Document' for this policy doesn't say that connecting transportation isn't covered, and the policy terms and conditions don't either. In addition, I note that the 'Missed Departure' section of the policy goes on to specifically provide cover in certain circumstances for delays to connecting flights. So, I'm not satisfied that connecting transportation is in fact excluded from cover and if this was Astrenska's intention then I don't think this is at all clear from the policy documentation.

So, overall, based on the specific circumstances of this individual case, I'm satisfied that it would be fair and reasonable for Astrenska to pay Mrs H, Mr H and Ms H's claim for their additional costs in missing the trains from both A and P.

I'm not satisfied that it would be fair and reasonable for Astrenska to deduct the payment already made to Mrs H, Mr H and Ms H for 'Enforced Stay' from any claim settlement due to them. The terms and conditions of the policy say a policyholder can't claim for the same loss under both 'Delayed Departure' and 'Enforced Stay' – but Mrs H, Mr H and Ms H aren't claiming for 'Delayed Departure', they're claiming for 'Missed Departure'. As the payment for

'Enforced Stay' already made was a fixed benefit, I don't think Mrs H, Mr H and Ms H would be doubly compensated for the same financial loss as a result of Astrenska now paying their 'Missed Departure' claim.

Mrs H, Mr H and Ms H should note that, save for in exceptional circumstances, I wouldn't generally expect Astrenska to pay for the costs of anyone who isn't insured under this policy. If there is any subsequent dispute about the amount of the claim settlement due to Mrs H, Mr H and Ms H then this would be a new complaint, which would need to be made to Astrenska in the first instance before our service would have the power to consider it.

I also think it would be fair and reasonable in the circumstances for Astrenska to pay compensation for the length of time it took to consider this claim, and for what I think were the repeated incorrect reasons given for declining the claim. I think a total award of £150 compensation would fairly reflect the impact of Astrenska's actions on Mrs H, Mr H and Ms H.'

Mrs H, Mr H and Ms H said they had nothing further to add in response to my provisional decision. Astrenska said it reluctantly accepted my provisional decision, but that it should be entitled to deduct the 'Enforced Stay' benefit from any 'Missed Departure' claim payment.

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.

As Astrenska has correctly pointed out, the 'Missed Departure' section of Mrs H, Mr H and Ms H's policy says:

'What is not covered

...

5. Any costs or charges also covered under any other section of this policy'

But I don't think Mrs H, Mr H and Ms H can fairly be considered to have recovered their costs and charges under the 'Enforced Stay' section of the policy. The 'Enforced Stay' benefit that was paid was a fixed payment to reflect the inconvenience of a delay of up to 24 hours. Mrs H, Mr H and Ms H haven't been reimbursed for any of the financial costs or charges they are claiming for under 'Missed Departure' as a result of receiving the 'Enforced Stay' benefit payment. So, as I've already explained, I don't think Mrs H, Mr H and Ms H are being doubly compensated by receiving a payment under both of these sections of cover.

This means I won't be changing my provisional decision.

Putting things right

Astrenska Insurance Limited needs to put things right and do the following:

- Pay Mrs H, Mr H and Ms H's claim under the 'Missed Departure' section of cover, subject to any applicable policy limits or excesses but without deducting the payment already made for 'Enforced Stay' benefit;
- Refund any interest Mrs H, Mr H and Ms H paid on credit card for the additional costs incurred in A and P, subject to the production of evidence that such interest was paid. In the absence of any such evidence, Astrenska Insurance Limited should pay

interest on the claim payment at 8% simple per annum from one month from the date the claim was made until the date the settlement is paid;

- Pay Mrs H, Mr H and Ms H £150 compensation for the distress and inconvenience they experienced.

Astrenska Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mrs H, Mr H and Ms H accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

My final decision

I'm upholding Mrs H, Mr H and Ms H's complaint about Astrenska Insurance Limited and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H, Mr H and Ms H to accept or reject my decision before 31 January 2024.

Leah Nagle
Ombudsman