

The complaint

Ms G and Mr S are unhappy that Euroins AD cancelled a travel insurance policy they'd taken out.

What happened

Ms G and Mr S took out an annual travel insurance policy underwritten by Euroins in June 2022. The policy was arranged by a company I'll refer to as 'R'.

R discovered that there had been a technical issue when the policy was set up and contacted Ms G in October 2022 to rescreen her medical conditions. By this time Ms G had already travelled abroad on at least three occasions. Following the re-screening Euroins said that they could no longer offer Ms G the same policy as she'd not accurately declared her medical history when the policy was taken out. They would have excluded the pre-existing conditions and added exclusions.

Euroins provided a proportionate refund of the premiums paid. Ms G complained but didn't receive a reply to her complaint within the required 8 weeks. So, she complained to the Financial Ombudsman Service.

Our investigator started to look into what had happened. R got in touch to say that they would refund the remaining premiums for the policy year and offered £150 compensation for the distress and inconvenience caused. Ms G didn't accept this offer. Our investigator recommended a further £150 compensation as he didn't think that Ms G had been treated fairly. He thought Euroins had most likely prematurely decided that they wouldn't offer Ms G cover for her conditions.

Ms G clarified some further information about her medical history and highlighted that she'd had to take out new insurance in April 2023 instead of July 2023. Euroins, and R, didn't reply to any further correspondence from our investigator. 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.

I think the key issue in this complaint is the overall customer service Ms G and Mr S received.

I'm upholding this complaint because:

- There was a technical issue which impacted Ms G and Mr S's policy. That shouldn't have happened.
- When the screening issue was identified Ms G and Mr S had to undergo another medical screening, which is what I'd expect to happen in such circumstances. But I think more care ought to have been taken to establish what conditions Ms G had

when the policy was taken out and what conditions had developed since. Instead, Euroins concluded Ms G hadn't declared some conditions when the policy was taken out.

- In any event Euroins has now paid Ms G and Mr S all of their premiums back. I think that's fair and reasonable in the circumstances of this case. Ms G and Mr S have benefitted from the cover Euroins offered at no cost up until the policy was cancelled. So, although Ms G and Mr S took out a new policy in April, I don't think Euroins needs to do anything more to put things right in the circumstances of this case.
- I think Ms G and Mr S were caused avoidable distress and inconvenience throughout this experience. It must have been upsetting to discover their insurance wasn't correctly set up through no fault of their own. This had an impact because they were worried that they had travelled, and were due to travel again, without the benefit of the cover they'd taken out. I think a total of £300 compensation, including the £150 already offered, more fairly reflects the distress and inconvenience caused to them as a result.
- I can only take into account what actually did happen, as opposed to what might have happened. So, I can't award compensation for what might have gone wrong if Ms G and Mr S needed to claim before this issue was sorted out. Fortunately, Ms G and Mr S didn't need to make a claim.

Putting things right

Euroins has already refunded the premiums to Ms G and Mr S. So, they need to put things right by paying a total of £300 for the distress and inconvenience caused by the distress and inconvenience of the policy not being set up correctly and the poor service received.

My final decision

I'm upholding Ms G and Mr S's complaint and direct Euroins AD to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G and Mr S to accept or reject my decision before 13 September 2023.

Anna Wilshaw
Ombudsman