

The complaint

Mrs and Mr S complain about Chaucer Insurance Company Designated Activity Company's (Chaucer) settlement of their travel insurance policy. My references to Chaucer include its agents.

What happened

Mrs and Mr S had an annual multi-trip travel insurance policy insured by Chaucer.

While on holiday in a European country unfortunately Mrs S had a bad accident when some automatic sliding doors started to close which knocked her over and trapped her leg. Mrs S was taken to hospital where she had stitches in her leg and a CT scan as she'd hit her head when falling. After three hours Mrs S was discharged with blood thinning injections to prevent deep vein thrombosis.

Before the accident Mrs and Mr S had planned to go on a trip by train to a city in another European country and return to the initial European country by train. Mrs S says due to her injury she wasn't able to travel by train so they did the same journey by taxi. Mrs S says she spent the rest of the holiday in a wheelchair and on their return to the UK a relative had to collect them to take them home rather than they travel home by a pre-booked train.

Mrs and Mr S claimed on the policy for:

- Hospital costs: 370.39 Euros
- Taxi for translator: 118.70 Euros
- Taxi for other European country trip: 300 Euros
- Taxi from hotel to airport: 340 Euros
- Fuel for the relative to collect them to return home: £134.20
- Shoes and trousers damaged as a result of the accident: £99.99
- Unused pre-booked train fare to return them home: £123.10.

Chaucer accepted the claim and paid some of the costs. Under the 'Emergency Medical Expenses' section of the policy it paid the hospital costs and relative's fuel costs, less the policy excess of £95. Under the 'Personal Possessions' policy section it paid for the damaged shoes and trousers. Chaucer initially deducted the £95 policy excess for claims under that policy section but as a goodwill gesture waived the second excess.

Chaucer said it wouldn't pay the taxi costs claimed as the policy didn't cover those costs in Mrs and Mr S' circumstances. The pre-booked UK train ticket wasn't covered as Chaucer had paid for the relative's fuel to take Mrs and Mr S home.

Mrs and Mr S complained to us. They said Mrs S had a very significant injury and on her return she'd been seen by a plastic surgeon who initially thought she would need a skin graft but fortunately that wasn't necessary. They want their full claim paid and said Chaucer was hiding behind the policy wording and treating their claim with 'total disregard'.

Our investigator said Chaucer had reasonably settled the claim.

Mrs and Mr S disagree and want an ombudsman's decision. They added that during the claim procedure Chaucer never discussed personal injury issues but Mrs S had a significant injury to her leg which led to her having trauma, and ongoing pain and suffering as well as the problems it caused during their holiday. They sent further photos to show the extent of her leg injury.

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.

Travel insurance doesn't cover all the circumstances and costs a consumer may have while travelling. The terms and conditions of the policy set out what risks and costs an insurer has agreed to cover and pay under the contract of insurance with the consumer. So it's reasonable for Chaucer to refer to the policy terms when assessing Mrs and Mr S' claim.

Mrs and Mr S have raised that the policy should cover her personal injury issues. Section 4 of the policy headed 'Personal Accident' provides the benefits detailed in the very specific circumstances set out in the policy terms and conditions. In summary a benefit may be available if Mrs or Mr S had an accident while on their holiday which is the sole cause of permanent total disablement, or loss of limb(s) within 12 months of the accident. The policy defines loss of limb to include '*complete loss of use of a... leg*'. If Mrs and Mr S think that the extent of Mrs S' injury falls within the policy terms of that section they can make a claim to Chaucer to assess. If Mrs and Mr S and Chaucer can't agree on the outcome of that claim then Mrs and Mr S can make a separate complaint to us on that matter.

This decision is only about whether Chaucer fairly and reasonably settled Mrs and Mr S' claim for the expenses they incurred on their holiday.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down (or settle) claims unreasonably. I'm sorry to disappoint Mrs and Mr S but I think Chaucer fairly and reasonably settled the claim. I'll explain why.

Chaucer paid for Mrs S' medical costs and some of the travel costs under the 'Emergency Medical Expenses' section. In that section the policy terms say:

'You are not covered for...

the cost of taxi fares, other than those for Your travel to or from hospital relating to Your admission, discharge or attendance for outpatient treatment or appointments or for collection of medication prescribed for You by the hospital. However, any costs incurred by You to visit another person or by another person visiting You in hospital are not covered'.

I think the policy terms are clear that taxi costs are only covered by the policy in certain circumstances and Mrs and Mr S' claim for taxi costs for their trip between the two European countries don't meet those circumstances. I've seen the additional photos of Mrs S' injury. I don't doubt that her leg was very painful and I understand it was much easier for Mrs S to travel to the other European country by taxi, rather by train. But those taxi costs aren't covered under any section of the policy. Taxi costs from the hotel to the airport also aren't covered so Chaucer correctly declined to pay those costs under the terms of the policy. There's no basis on which I can fairly say that Chaucer ought to pay those costs.

Mrs and Mr S' claim for taxi costs for a translator also aren't covered by the policy terms. It's not clear whether the translator was for the three hours Mrs S was at the hospital. If so and Chaucer considered that a translator was required then I think it's more likely than not that it would have paid a translator's reasonable travel costs. But I've seen no evidence that Mrs and Mr S asked for, and Chaucer agreed to pay for, a translator. If Mrs and Mr S needed a translator for another situation there's no cover for a translator's travel costs. So I think Chaucer reasonably declined the taxi costs for a translator.

For the avoidance of doubt, I think Chaucer acted reasonably in not paying for the pre-booked UK train fare as it had paid for the more expensive fuel cost for Mrs and Mr S' relative to collect them to drive them home. They can't claim for both costs as that would mean they would be paid twice for travelling home.

Chaucer paid the claim for Mrs S' shoes and trousers that were damaged due to the accident. The costs for those items are only covered under the 'Personal Possessions' section. As the policy says an excess applies for each policy section under which claims are made, Chaucer correctly initially deducted a separate excess. As a gesture of goodwill Chaucer agreed to waive that excess, which was fair as it didn't need to do so.

Overall I'm satisfied that Chaucer reasonably settled the claim and I've seen no evidence to support Mrs and Mr S' suggestion that it treated their claim with 'total disregard'.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 4 January 2024.

Nicola Sisk
Ombudsman