

The complaint

Mr M has complained that Chaucer Insurance Company Designated Activity Company declined a claim he made on his annual travel insurance policy.

What happened

In January 2023, Mr M was abroad and about to embark on his return journey to the UK. After arriving at the airport, he was told that the second leg of his return flight had been cancelled. He subsequently re-booked tickets at his own expense so that he could get back to the UK. His claim is for the cost of accommodation at the departure point and for the re-booked flights.

Chaucer declined the claim on the basis that the reason for the cancellation was not covered.

Our investigator thought that it was fair and reasonable for Chaucer to decline the claim, in line with the policy terms and conditions. Mr M disagrees and so the complaint has been passed to me for 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've carefully considered the obligations placed on Chaucer by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Chaucer to handle claims promptly and fairly, and to not unreasonably decline a claim.

Mr M struggled to get written confirmation from the airline about the reason for the cancellation. But he was eventually told that it was for 'operational reasons'.

Under the 'Delayed Departure, Transport Cancellation and Abandonment' heading, the policy sets out a defined list of events where cover is provided. It says:

'We will pay up to the amount shown on the schedule of cover relating to the policy type you have purchased as shown on your certificate per insured person per trip. If as a direct result of:

- Strike
- Industrial Action (which was not publicly known of at the time you purchased your policy or booked your trip)
- Adverse weather conditions
- Mechanical breakdown

So, a claim would only be covered if the cancellation was due to one of the listed reasons. It follows that, if a reason isn't listed, then it isn't covered. Clearly 'operational reasons' isn't included in the list and therefore isn't an insured event under the policy terms.

'Operational reasons' is a wide term that doesn't really explain why the flight was cancelled. Without further information, that leaves the possibility open that the cancellation was due to one of the listed events. However, Chaucer can only assess the claim using the information that is available. As it currently stands, I'm satisfied that Chaucer was entitled to decline the claim.

Chaucer has told Mr M that if he is able to get the airline to provide a more specific reason, which then aligns with the list set out above, that it would be happy to review the claim. In the circumstances I think that is a reasonable response.

It must be very frustrating for Mr M that the airline, so far, hasn't engaged with him more fully to clarify what happened. I have a great deal of sympathy for his situation. But, looking at the way that Chaucer has assessed the claim, I'm unable to conclude that it has done anything wrong.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 January 2024.

Carole Clark

Ombudsman