

The complaint

Mr A and Mrs S complain that AXA Insurance UK Plc wouldn't pay their cancellation claim under their travel insurance. My references to AXA include its claims handler.

What happened

In January 2023 Mr A and Mrs S bought an annual multi trip travel insurance policy. AXA was the insurer for the relevant sections of the policy.

The policy cover started on 29 April 2023 and will end 28 April 2024. Mr A and Mrs S were due to go on holiday to Europe from 30 Apr 2023 to 9 May 2023.

On 7 April 2023 Mrs S' brother who lives in Asia was ill so she and then also Mr A went to support him. As Mrs S' brother's health didn't improve Mr A and Mrs S were unable to return to the UK to go on their holiday to Europe. They had to cancel the holiday and made a claim on the policy.

AXA declined the claim. It said Mrs S' brother's illness, which was the cause of the cancelled holiday, started before the policy had started.

Mr A and Mrs S complained to us. They say they weren't claiming for Mrs S' brother's illness, they were claiming for not being able to go on holiday because they had to stay to look after Mrs S' brother.

Our investigator said AXA had reasonably declined the claim.

Mr A and Mrs S disagree and want an ombudsman's decision. They said AXA was 'manipulating' the policy terms.

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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably.

I have to decide whether AXA fairly and reasonably declined the claim, and I think it did. I'll explain why.

As our investigator explained, travel insurance policies don't cover every situation a consumer finds themselves in. The policy terms and conditions set out what risks an insurer is prepared to cover and what's required for the insurer to pay a claim.

Even though Mr A and Mrs S bought the policy in January 2023 they chose for the policy cover to start on 29 April 2023, the date before they were due to go on holiday.

The insurance cover period of 29 April 2023 to 28 April 2024 is clearly set out in Mr A and Mrs S' one page insurance validity certificate, under the heading 'Your policy schedule'.

The policy defines 'period of insurance' as meaning:

'...if annual multi trip cover is selected: the period of 12 months for which we have accepted the premium as stated in the schedule.... Under these policies Section A - Cancellation cover will be operative from the date stated in the schedule or the time of booking any trip (whichever is the later date) and terminates on commencement of any trip...'

I'm satisfied the policy terms are clear that cancellation cover begins from the start date of the policy period in the policy schedule, 29 April 2023, or the date of booking the trip if that's later. Mr A and Mr S booked their trip before 29 April 2023. So cancellation cover only started from 29 April 2023.

The cause of Mr A and Mrs S' cancellation of their holiday was Mrs S' brother's illness. Although his illness was ongoing on and after the 29 April 2023, the important point is that the illness started before the cover provided by the policy started.

I appreciate Mr A and Mrs S think AXA is unfairly using the policy terms for its own benefit. But it's standard for insurers not to cover a cancellation claim when the cause of the cancellation started before the policy and cancellation cover started, as in this case. And the policy schedule did clearly show the date cover started.

I'm satisfied that AXA could fairly and reasonably say there was no cover for Mr A and Mrs S' cancelled holiday because the cause of the cancellation started before cover under the policy started.

Mr A and Mrs S chose the start date of the policy as 29 April 2023 even though they bought the policy in January 2023. We think it's fair for the policy sales process to make it very clear that choosing a later start date on an annual policy means there's no cancellation cover until the policy start date.

If Mr A and Mrs S think the implications of choosing a later policy start date wasn't made clear to them when they were buying the policy they may want to complain to the business which sold the policy. If they can't reach agreement with that business they can make a separate complaint to us to consider.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs S to accept or reject my decision before 23 November 2023.

Nicola Sisk
Ombudsman