

The complaint

Mr and Mrs B are unhappy that Chaucer Insurance Company Designated Activity Company declined a claim made on their travel insurance policy ('the policy').

What happened

Mr and Mrs B made a claim on the policy after the car they were travelling in broke down on the way to a ferry port. So, they missed their ferry departure and ended up not going on their holiday. They claimed for their out-of-pocket expenses.

Chaucer considered the claim under section H of the policy terms and conditions entitled: "missed departure on your outward journey" and as it concluded the requirements weren't met, it declined the claim.

Unhappy Mr and Mrs B complained to Chaucer and when it maintained its position to decline the claim, they brought a complaint to the Financial Ombudsman Service.

Our investigator looked into what happened and upheld the complaint. She recommended Chaucer reassess the claim and pay £100 compensation to Mr and Mrs B.

Chaucer disagreed and requested an Ombudsman's decision. So, this complaint was passed to me to consider everything afresh to decide.

I issued my provisional decision in December 2023 explaining why I wasn't intending to uphold this complaint. Chaucer accepted my provisional decision. Mr and Mrs B didn't provide any substantive comments in response for me to consider.

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.

Chaucer has a regulatory obligation to handle insurance claims fairly and reasonably. And it mustn't unreasonably decline a claim.

I know Mr and Mrs B will be disappointed, but I don't think Chaucer's decision to decline the claim was unfair. I'll explain why.

Section H says:

We will pay you up to the amount shown in the schedule of benefits for reasonable additional accommodation (room only) and travel expenses necessarily incurred in reaching your overseas destination if you fail to arrive at the departure point in time to board the public transport on which you are booked to travel on for the initial international outbound leg of the trip as result of:

...an accident to or breakdown of the vehicle in which you are travelling...

Under the policy, public transport includes publicly licensed sea vessel.

It's agreed that Mr and Mrs B didn't end up reaching their overseas destination. They ended up going home rather than continuing with their onward travel at a later time.

I think section H is clear; it covers "reasonable additional accommodation (room only) and travel expenses necessarily incurred in reaching your overseas destination". If Mr and Mrs B didn't reach their overseas destination, then I'm satisfied Chaucer has fairly relied on the policy terms to conclude that the circumstances in which section H covers doesn't apply. And it has fairly declined the claim under this section.

I've also considered whether Mr and Mrs B have cover for the circumstances they describe, including the 'cancellation' and 'travel delay or abandonment of your trip' sections of the policy (sections A and G). I'm satisfied that there's not. The circumstances which occurred leading to Mr and Mrs B not being able to make the ferry departure aren't covered as insured events under other sections of the policy.

I know Mr and Mrs B will be disappointed with this but travel insurance policies don't cover every eventuality and it's for the insurer to set out in the policy terms and conditions the risks it's prepared to insure for the premium paid.

Mr and Mrs B say that they were also asked by Chaucer to provide written confirmation from the garage / mechanic on the cause of the breakdown and no-show invoices for expenses being claimed in cancelling their holiday. That request was made around a couple of weeks after submitting their claim.

I'm satisfied that a condition of a claim being covered under section H of the policy is that the policyholder must obtain a report from the repairers if the claim is because of a breakdown of the car. As the claim had yet to be assessed by this time, I think it was reasonable for Chaucer to request this information as the success of any claim under section H would also have been dependant on this report being produced. And Mr and Mrs B had mentioned in their claim form that they were waiting the report.

Mr and Mrs B are also unhappy with the time taken by Chaucer to investigate and respond to their complaint about their claim being declined. I'm satisfied the final response to the complaint was sent within eight weeks of Mr and Mrs B's complaint to Chaucer. I'm satisfied that's within the timeframe stipulated by the regulator, the Financial Conduct Authority (as set out in Chaucer's email to Mr and Mrs B acknowledging the complaint dated 16 May 2023).

My final decision

I don't uphold this complaint.

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

David Curtis-Johnson
Ombudsman