

## **The complaint**

Mr and Mrs F complain that Euroins AD declined their claim against their travel insurance policy. Reference to Euroins includes its agents.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, In July 2022, Mr and Mrs F booked accommodation abroad for themselves and two friends for 16 September 2022 to 19 September 2022. Their friends booked and paid for the corresponding flights.

On 10 September 2022, Mr and Mrs F bought a single trip travel insurance policy underwritten by Euroins.

On 15 September 2022, Mr and Mrs F's outbound flights were cancelled due to industrial action. The airline refunded the flight costs to their friend who had booked the flights. Mr and Mrs F made a claim against their travel policy in relation to unused accommodation costs.

Euroins declined Mr and Mrs F's claim. It said that the cancellation provisions in the policy don't cover what happened here. Euroins also said that the period of insurance for all sections except for cancellation cover starts when the insured leaves home for the trip. Here, Mr and Mrs F hadn't left home for their trip when the airline cancelled their flights. Euroins said that Mr and Mrs F can't claim for something that happened before the period of insurance.

Mr and Mrs F say that they reasonably expected to be covered by the policy. They want Euroins to settle their claim and refund the unused accommodation costs.

One of our investigators looked at what had happened. She didn't think that Euroins had acted unfairly in declining Mr and Mrs F's claim. The investigator said that neither the cancellation nor the travel delay and abandonment provisions in the policy cover what happened here.

Mr and Mrs F didn't agree with the investigator. Mrs F responded to say that it's incredible that the policy doesn't cover cancelled flights and that Euroins should have highlighted that. If it had done so, she wouldn't have taken out the policy and would have used a different provider.

Mrs F doesn't think that Euroins acted fairly. She said it's unfair for Euroins to say that it would cover their accommodation costs if their flights had been delayed but won't do so because their flights were cancelled. Mrs F said that through no fault of their own, they are substantially out of pocket.

The investigator considered what Mr and Mrs F said but didn't change her view. Mr and Mrs F asked that an ombudsman consider the complaint, so it was passed to me to decide.

## 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 terms and conditions

The policy contains the following definition:

***'Period of insurance: The period of insurance for all sections except cancellation commences when **you** leave **your home in your home country** to start **your trip** and ends when **you** have returned to **your home in your home country**. Cancellation cover for a Single Trip policy starts when you purchase this insurance or when **you** book **your trip**, whichever is the later. [...]***

### has Euroins acted unfairly or unreasonably?

The relevant rules and industry guidance say that Euroins has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I have sympathy for Mr and Mrs F's position. As they say, they are out of pocket through no fault of their own. Having said that, I don't think that Euroins acted unfairly or unreasonably in declining their claim. I'll explain why:

- Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. In general terms, insurers can decide what risks they wish to cover. The onus is on the consumer to show that the claim falls under one of the agreed areas of cover within the policy.
- In this case, Mr and Mrs F had cancellation cover from the date they bought the policy. The cancellation section of the policy covered unused accommodation costs if Mr and Mrs F cancelled their trip due to certain, specified reasons. The cancellation of outbound flights due to industrial action isn't one of the insured perils in the cancellation cover. So, I don't think that Euroins was at fault in declining Mr and Mrs F's claim under the cancellation provisions.
- I don't think that Euroins should have specifically brought to Mr and Mrs F's attention that the circumstances that led to their claim aren't covered by the cancellation provisions in their policy. That's because the cancellation of a trip because of the cancellation of outbound flights isn't usually covered in this sort of policy. So, I don't think the fact that it's not covered by Mr and Mrs F's policy is something that's unusual such that it should have been brought to their attention at the point of sale.
- Cover under all other sections of the policy apart from the cancellation section was due to start when Mr and Mrs F left home to start their trip. Mr and Mrs F's flights were cancelled before they left home to start their trip. So, there's no cover under the '**TRAVEL DELAY BENEFIT**' section of the policy or, indeed, any other section of the policy.
- I've looked at the information made available to Mr and Mrs F at the point of sale. The Insurance Product Information Document (IPID) is a summary of cover and

directs Mr and Mrs F to the full policy terms and conditions. I think that the full terms and conditions are clear about what's covered in the event of cancellation.

- I think that Euroins acted in accordance with the policy's terms and conditions in declining the claim. But I've gone on to consider whether that results in a fair and reasonable outcome in this case. In some circumstances, we'd think it's unfair for an insurer to say that a claim for abandonment isn't covered because a flight was cancelled, not delayed. But that's when a claim is otherwise covered under the policy, which isn't the case here as Mr and Mrs F hadn't started their trip. I've thought about this carefully. I don't think there are any grounds on which I can fairly direct Euroins to deal with Mr and Mrs F's claim.
- I'm sorry to disappoint Mr and Mrs F but, for the reasons I've explained, I don't uphold their complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 28 November 2023.

Louise Povey

**Ombudsman**