

The complaint

Mrs F is unhappy that Chaucer Insurance Company Designated Activity Company ("Chaucer") declined her claim under her travel insurance policy.

What happened

The background to this complaint is well known by the parties so I don't intend to go into significant detail here.

In summary, Mrs F bought a single trip travel insurance policy, via a comparison website. She completed the medical history questions and declared two conditions - anxiety and depression. Both conditions were accepted by Chaucer, who charged Mrs F an additional premium.

Unfortunately, while she was away, Mrs F was taken ill and needed hospital treatment. She was subsequently diagnosed with a gastric ulcer. Ultimately, she returned home sooner than expected so her treatment could continue in the UK. She submitted a claim to Chaucer.

Chaucer initially paid part of her claim – but significantly less than Mrs F expected. It subsequently declined the claim outright as it believes the purpose of Mrs F's trip fell outside of the policy terms. Chaucer believes Mrs F was travelling for medical treatment; something the policy specifically excludes. It has also said Mrs F's travel plans did not meet the definition of a 'trip' as shown in her policy documents.

Mrs F disagrees. She says she was travelling to have treatment for her mental health conditions, which she had declared to Chaucer. She's also explained the condition that warranted her admission to hospital is unrelated to her mental health and therefore not a pre-existing condition. She complained to Chaucer, but it did not change its position.

Our investigator considered Mrs F's complaint and upheld it. He wasn't satisfied Chaucer could rely on the policy exclusion for '*...travelling with the intention of receiving medical treatment*'. In his opinion, as the policy terms did not specifically define '*medical treatment*', the claim should be covered.

Chaucer disagreed and so the case has been 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.

I issued a provisional decision on this complaint as my findings differed from that of our investigator. I invited both parties to provide any further information they wanted me to consider. In my provisional decision, which forms part of this decision, I said:

I've carefully considered the obligations placed on Chaucer by the Financial Conduct Authority (the "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.

I've also considered the terms of the travel insurance policy Mrs F holds with Chaucer. The policy documents are important as they set out the terms of the contract entered into by the parties.

As explained above, I've reached a different outcome to that of our investigator. I understand Mrs F will be very disappointed, especially as my provisional findings will leave her with outstanding costs. I appreciate how difficult that situation will be for her, given the recent difficulties she's experienced.

But based on everything provided to me, I do not intend to uphold Mrs F's complaint. Let me explain.

I'm satisfied Mrs F's trip does not fall within the definition of 'trip' within the policy terms. The definition of 'trip' is:

*"...any holiday, leisure or business **trip** which begins and ends in **Your Home Country** during the period of insurance for which **You** have paid the appropriate premium..."*

Mrs F was travelling to a rehabilitation centre for treatment for anxiety and depression. She'd enrolled on a 28-day treatment programme, following a significant deterioration in her mental health. It follows that the purpose of her trip could not reasonably be considered a holiday, for leisure purposes or for business.

And whilst the policy terms do not specifically define 'medical treatment', I think it's reasonable to consider Mrs F's stay at the rehabilitation centre falls within what I would consider, medical treatment. The therapists at the centre are specialists in addiction recovery, counselling, and other therapeutic practices. According to the information available to me, they are registered with various regulatory bodies that support their practice. The rehabilitation centre also refers to its clients as 'inpatients'.

I understand Mrs F had not been diagnosed with a gastric ulcer before she travelled and therefore wasn't travelling to receive medical treatment for her ulcer.

But because the nature of Mrs F's overall trip – to the rehabilitation centre - fell outside of the policy terms, this means the policy wasn't suitable for her travel plans.

I understand Mrs F bought her policy through a comparison website. As such, Chaucer needed to ensure Mrs F had appropriate information, and in good time, to make an informed choice about whether the policy was suitable for her needs. Having reviewed the policy information, I'm satisfied the restrictions on the specific aspects of her cover relevant to this complaint were clear.

Unfortunately, in this situation it seems Mrs F inadvertently chose a policy that wasn't suitable for her needs. In my experience, there are specialist travel insurance policies that would have covered Mrs F's trip to the rehabilitation centre but that wasn't something Chaucer had offered her. And it's for Chaucer to decide what types of travel, and the level of risk, it wants to cover, for the premium charged.

I've gone on to consider what would have happened if Chaucer had been aware of Mrs F's travel plans. And I'm satisfied it wouldn't have offered this policy for her trip, and therefore no premium would have been payable. The premium Mrs F paid was significantly less than the amount Chaucer has paid in part settlement of her claim, and as it's not looking to recoup

the payments it's made, I'm satisfied there's nothing further it needs to do.

Chaucer confirmed it did not have anything further for me to consider.

Mrs F provided further information which I've considered in detail before reaching my final decision.

- Mrs F has said her trip included opportunities to participate in walks and to visit sites of interest. I'm not persuaded having the opportunity, outside of the scheduled daily programme, to visit sites of interest means her trip was for a holiday or leisure purposes.
- Mrs F has said her employer paid for her trip to help her recover and save the business, therefore I should consider this a business trip. I'm not persuaded this trip was for business purposes. I'm aware Mrs F is self-employed. I've not been provided with any evidence which shows Mrs F was travelling for purposes directly connected to her business.
- Mrs F has raised concerns about the service she received from Chaucer. I appreciate the points she's raised. Chaucer has accepted the service she received wasn't up to standard and has apologised. But as Chaucer has paid part of Mrs F's claim, albeit in error, and is not looking to recoup the payment, I'm not satisfied further compensation is warranted.

Whilst I have the upmost sympathy for Mrs F's situation, the further evidence she's provided does not change my mind about the outcome of this complaint.

My final decision

My final decision is that I don't uphold this complaint and won't be asking Chaucer Insurance Company Designated Activity Company to do any more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 17 October 2023.

Sian Brightey
Ombudsman