

The complaint

Mr M and Miss M complain about U K Insurance Limited's handling of their travel insurance claim. They don't think the settlement it's paid is fair.

What happened

In late 2022, Mr M and Miss M went on holiday abroad. They flew into one city ("City A") and spent some time there. They had planned to fly to another city ("City B"), but their internal flight was cancelled by the airline. Mr M and Miss M booked another flight for a few days later but this was also cancelled.

Mr M and Miss M weren't able to fly to City B until nine days later than they'd planned. As a result, they were unable to use accommodation, transfers and activities they'd paid for. They also incurred additional costs for accommodation, food and entertainment in City A and had to pay for another flight to City B. So, they made a claim under their travel insurance policy with UKI.

UKI said it would pay Mr M and Miss M a total of £500 to settle the claim, as this was the maximum the policy covered. Mr M and Miss M raised a complaint with UKI. They thought their claim should be covered under a different section of the policy. However, UKI maintained its position. So, Mr M and Miss M asked our service to consider the matter.

Our investigator didn't think Mr M and Miss M's complaint should be upheld. He was satisfied that UKI had settled the claim fairly, in line with the policy's terms.

Mr M and Miss M disagreed with our investigator's outcome. They commented on why they felt the claim should be covered under the "*abandoned departure*" section of the policy. So, the complaint 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.

Having done so, I've decided not to uphold Mr M and Miss M's complaint. I'll explain why.

UKI says it could only consider Mr M and Miss M's claim under the "*delay benefit*" section of the policy.

This says:

"We will pay £10 per insured person after the first two hours and an additional £10 every following four hours up to a limit of £250 if you have arrived at your point of departure or connection and your pre-booked aircraft, ship or train is delayed. You must have already checked in."

I understand UKI paid Mr M and Miss M £500 to settle their claim, which is the most it's required to pay under this section of the policy.

Mr M and Miss M strongly believe that UKI should have considered their claim under "*abandoned departure*".

The policy's terms and conditions say:

"Abandoned Departure (outbound only)

We will pay up to £5,000 for each insured person for their portion of the trip costs if you choose to abandon your trip on your outward journey at your point of departure because your pre-booked aircraft, ship or train is:

- 1. Delayed by more than 12 hours (6 hours for a trip of four nights or less) beyond the departure time shown on your travel ticket on your outward journey.*
- 2. Cancelled following a delay and your transport operator is unable to provide you with a replacement from your point of departure within 12 hours of the original departure time on your outward journey..."*

"Trip" is defined as "*a journey that begins and ends at your home during the period of insurance that is:*

- Outside the UK.*
- Within the UK, where you are staying in pre-booked commercially operated accommodation for two or more consecutive nights."*

Mr M and Miss M have commented that they believe the policy's definition of "*point of departure*" includes the airport in City A. And they don't agree that "*outward journey*" could only apply to their flight from the UK. They don't think it's fair that their trip between City A and City B could not be covered for abandonment or for the extra cost of travelling to City B another way, whichever is lower.

I appreciate Mr M and Miss M strongly believe their claim should be covered under the "*abandoned departure*" section of the policy. However, I'm satisfied that this section only applies if the whole trip is abandoned due to delays or cancellation of transport for the outward journey. Mr M and Miss M would only have been able to claim under this section if their outbound flight from the UK had been delayed for more than 12 hours or cancelled.

Mr M and Miss M were already on their trip when their internal flights were cancelled, so I'm not persuaded that UKI is required to settle their claim under this section of the policy.

I know my answer will be disappointing for Mr M and Miss M. I understand the cost of their holiday increased significantly as a result of what's happened, and I empathise with them. But unfortunately, these additional costs aren't covered by the policy. I'm satisfied that UKI has settled their claim in line with the policy's terms and conditions. So, I don't require UKI to do anything further.

My final decision

For the reasons I've explained, I don't uphold Mr M and Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss M to accept or reject my decision before 10 November 2023.

Anne Muscroft
Ombudsman