

The complaint

Mr and Mrs K complain because Arch Insurance (UK) Limited ('Arch') hasn't paid a claim for repatriation to their home country under their travel insurance policy.

All references to Arch include the agents appointed to handle claims on its behalf.

What happened

Mr and Mrs K and their children lived abroad and were insured under an extended stay travel insurance policy, provided by Arch.

In September 2021, Mr and Mrs K notified Arch that one of their children needed surgery following an ultrasound. After considering the available medical information, Arch said the surgery was non-emergency and an elective procedure and, therefore, wasn't covered under the terms and conditions of Mr and Mrs K's policy. Arch suggested that Mr and Mrs K could take their child back to their home country, at their own cost, so the surgery could be carried out under the national health insurance scheme there.

In February 2022, Mr and Mrs K contacted Arch again and said their child needed surgery abroad, and this had already been scheduled. Arch asked for a medical report but, a few days later, Mr and Mrs K told Arch they had concerns that they'd be 'stuck' abroad for a month after their child's surgery in a country where there was conflict going on. Arch then suggested that Mr and Mrs K might have cover under their policy for political evacuation to the closest country of safety.

When Mr and Mrs K next contacted Arch they said their child was in pain every day but they didn't want the surgery to go ahead in situ as they'd then be stranded abroad in a country affected by war and sanctions. Mr and Mrs K said they already had problems accessing money, and that they needed to cancel their child's surgery and get out of the country.

Mr and Mrs K arranged and paid for flights for themselves and their children back to their home country. They subsequently told Arch they would have been unable to stay abroad for longer than a further week with the resources they had, as part of the banking system had already been shut down.

Mr and Mrs K made a claim with Arch for the cost of the flights back to their home country. Arch initially said the claim wasn't covered because Mr and Mrs K's child's illness wasn't an 'acute' medical condition which the policy provided cover for. Mr and Mrs K disputed this, and said they'd also needed to return to their home country due to war. Arch said Mr and Mrs K's policy didn't cover claims arising from any war in Europe.

Unhappy, Mr and Mrs K brought the matter to the attention of our service.

One of our investigators looked into what had happened but didn't uphold Mr and Mrs K's complaint. Mr and Mrs K didn't agree with our investigator's opinion, so the complaint has been referred to me as the final stage in our process.

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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when making my final decision about Mr and Mrs K's complaint.

It's clear that Mr and Mrs K were faced with a very difficult and stressful situation in February 2022. I empathise with the circumstances they found themselves in, and I wish their child the best with their ongoing recovery. But I don't think Mr and Mrs K's claim is covered under the terms and conditions of their policy and I don't think Arch acted unfairly or unreasonably by turning down their claim – regardless of the main reason why Mr and Mrs K returned to their home country. In making my decision, I haven't addressed every point which Mr and Mrs K have made, and I'm not obliged to. Instead, I've focused on what I think are the key issues.

I don't doubt that Mr and Mrs K's child was very sick in February 2022. Mr and Mrs K have told us their child was screaming in pain on their journey back to their home country. I understand an ambulance was waiting for Mr and Mrs K's child on their arrival and an operation was carried out shortly after their return. I don't dispute that urgent medical attention was needed at that point – but this doesn't mean Arch is responsible for the costs which Mr and Mrs K are claiming for. In order for a claim for emergency repatriation to be covered under Section A1 ('Emergency Medical and Repatriation Expenses') of Mr and Mrs K's policy, the condition necessitating the repatriation must be 'acute' as defined in their policy.

The policy defines 'acute' as *'a medical problem which first manifests itself with a sudden, distinct onset of marked intensity and is of such severity and nature as would lead the policyholder to seek immediate medical attention'*.

While the onset of Mr and Mrs K's child's pain in February 2022 may have been sudden, I don't think the onset of the medical problem leading to the claim can fairly be described as sudden. The medical problem requiring surgery was first notified to Arch in September 2021.

I've considered the medical report which Mr and Mrs K have provided dated December 2022. This describes Mr and Mrs K's child as still suffering from abdominal pain with *'cause unknown'*. But I don't agree that this demonstrates that the onset of pain in February 2022 was unrelated and/or separate and distinct to the medical problem first notified to Arch in September 2021. I'm satisfied that the evidence which I've seen suggests it's more likely than not that the need for surgery in February 2022 arose from the medical problem which Arch were first told about in September 2021.

Arch's decision in 2021 that Mr and Mrs K's claim wasn't covered at that point doesn't appear to be in dispute, but for the avoidance of doubt, I also don't think Mr and Mrs K's child's medical problem met the policy definition of 'acute' at that time. This was because the surgery recommended then was described as non-emergency and elective, so the problem didn't require immediate medical attention. When Arch declined the claim in 2021, Mr and Mrs K's options were to arrange the surgery themselves – either abroad or in their home country. I understand there may have been various reasons why Mr and Mrs K didn't pursue either of these options and they couldn't have foreseen the situation they ultimately found themselves in. But I don't think Arch can fairly be held responsible for paying for any costs associated with a previously identified medical condition which subsequently deteriorated, when Arch had already said the surgery that was recommended wasn't covered under the policy. This isn't how travel insurance policies work.

I've also taken into account Mr and Mrs K's comments about the lack of experience of the doctors abroad in carrying out surgery like this. But this doesn't change my decision that the claim isn't covered under the terms and conditions of Section A1 of Mr and Mrs K's insurance policy.

The terms and conditions of Mr and Mrs K's policy, under Section G ('Political and Natural Disaster Evacuation'), provide cover for evacuation expenses to a policyholder's home country or nearest place of safety if certain listed, insured events which are set out in the policy happen. But I don't think the situation which Mr and Mrs K were in met any of these criteria. And, based on the specific circumstances of this individual complaint, I don't think there are any reasonable grounds upon which I could fairly direct Arch to depart from a strict interpretation of the policy terms and conditions and accept Mr and Mrs K's claim regardless.

Arch, when declining Mr and Mrs K's claim for political evacuation cover, relied on a policy exclusion stating that it isn't liable for losses arising directly or indirectly from war in Europe. I don't think it's necessary for me to make a finding about whether I think this exclusion applies, because I don't think Mr and Mrs K's claim arose from an insured event under Section G – so the claim isn't covered under their policy anyway.

Mr and Mrs K have provided us with an Insurance Product Information Document ('IPID') which suggests that claims for war and terrorism in certain countries may be covered. But the IPID summarises the key features of a number of different types of travel insurance policies provided by Arch and the 'schedule of compensation' issued to Mr and Mrs K alongside their policy certificate doesn't mention war and terrorism as being included in the cover provided to Mr and Mrs K. I also note that the table of benefits which Mr and Mrs K were provided with incorrectly says that war and terrorism cover is included in their policy. Arch hasn't, in my opinion, been able to adequately explain why Mr and Mrs K were provided with this incorrect information. But I don't think that any error or lack of clarity in the table of benefits changes the fact that Mr and Mrs K don't have cover for the situation they found themselves in under the contract they hold with Arch.

I've listened to a number of telephone calls between Mr and Mrs K and Arch. During one of these calls, Arch's adviser told Mr K to go ahead and book their flights as the most important thing was Mr K getting his family to a place of safety. However, I think the adviser was very clear that there was no guarantee that the claim would be covered under the policy. I'm satisfied that the information given to Mr and Mrs K by Arch was appropriate in the circumstances. And I think it's likely, based on the information I've seen, that Mr and Mrs K would have gone ahead and booked repatriation flights anyway, regardless of what Arch had said to them.

I'm sorry to disappoint Mr and Mrs K, but I won't be directing Arch to do anything further.

My final decision

My final decision is that I don't uphold Mr and Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 20 September 2023.

Leah Nagle
Ombudsman