

The complaint

Mrs R complains that Admiral Insurance (Gibraltar) Limited cancelled her travel insurance policy.

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, Mrs R booked a trip and in May 2022, she bought a single trip travel insurance policy underwritten by Admiral. The intended departure and return dates of the trip were 11 November 2022 and 21 November 2022 respectively.

On 10 November 2022, the day before the intended departure, the trip provider cancelled the trip. Mrs R phoned Admiral the same day. In her initial complaint, Mrs R said that Admiral asked her whether she wanted to make a claim for cancellation of the trip or to cancel the policy. She says that she had no reason to make a claim against the policy and so the policy was cancelled. Admiral refunded £9.41 of the premium.

Mrs R says that on the following day, the trip provider offered her alternative trip dates and on 17 November 2022, the alternative trip dates were confirmed.

Mrs R says that when she phoned Admiral on 10 November 2022, it didn't offer to change the dates of her cover in case the trip provider offered alternative trip dates. She complained to Admiral. Admiral relied on the terms of the policy. It said that if it had been aware of new dates for the trip before cancellation it would have been able to change the dates but as the policy had been cancelled, it couldn't now do so. As a gesture of goodwill, it offered Mrs R a 20% discount if she took out a policy with it in the next 12 months. Mrs R didn't think that was fair and pursued her complaint.

One of our investigators looked at what had happened. She didn't think that Admiral had treated Mrs R fairly. The investigator said that when Mrs R phoned Admiral on 10 November 2022, it could have told her that she could change the dates of cover. She said that if Admiral had done that, Mrs R wouldn't have cancelled the policy until she knew what the trip provider offered in terms of alternative dates. The investigator thought that it was fair for Admiral to reinstate the policy and change the trip dates.

Admiral didn't agree with the investigator. It said:

- When Mrs R contacted it on 10 November 2022, she didn't say that the trip provider would offer alternative trip dates.
- It can change the dates of a single trip policy but it needs alternative dates to do that.
- Mrs R took out the policy in May 2022, so she had cancellation cover from that date, so it's fair that it collects a premium for that.
- It provided a pro rata refund which is more than it was required to do.

- It can't reinstate a single trip policy once the dates of the trip have passed.
- It can offer a new policy with a 20% discount, as offered previously.

The investigator considered what Admiral said but didn't change her view. She said that when Mrs R phoned Admiral on 10 November 2022, it could have changed the dates of the cover to give Mrs R time to establish new arrangements. Admiral said that it can't move trip dates to random dates as a placeholder, as it needs start and end dates. It asked that an ombudsman consider the matter, so the complaint was passed to me to decide.

My provisional decision

On 17 July 2023, I sent both parties my provisional decision in this case in which I indicated that I didn't intend to uphold Mrs R's complaint. I said:

'the relevant terms and conditions'

The starting point is the terms and conditions of the policy, the relevant parts of which say as follows:

'General Conditions'

[...]

8. Cancelling your policy

Single Trip

If the policy does not meet your requirements:

- *[...]*
- *(for policies that end 29 days after purchase, or later) **you** may cancel within 14 days of the date of purchase or when **you** receive **your** policy documents, whichever is later and receive a full refund. No refund will be due after 14 days, or once **you** make a claim or start **your trip**, whichever comes first.'*

has Admiral acted unfairly or unreasonably?

I don't intend to uphold Mrs R's complaint because I don't think that Admiral treated her unfairly or unreasonably. I say that because:

- *The terms of the policy set out the rights and obligations of the parties. Strictly speaking, in the circumstances that arose here, Admiral isn't obliged to offer Mrs R a refund, as the policy was cancelled more than 14 days after the date of purchase or when Mrs R received policy documents. But I've gone on to consider whether that provides a fair and reasonable outcome in this case and Mrs R's contention that Admiral should have offered to change the policy dates.*
- *The recording of Mrs R's phone call to Admiral on 10 November 2022 isn't available. It's not in dispute that Mrs R told Admiral that her trip provider had cancelled the trip and that Admiral asked Mrs R whether she wanted to make a claim against the policy or to cancel it.*
- *At the time of the phone call, there was no suggestion that the trip provider would offer alternative trip dates. Mrs R says that on the following day, the trip provider offered alternative dates for the trip which were subsequently confirmed on 17 November 2022.*

- *In the circumstances that arose here, I don't think that on 10 November 2022, Admiral was required to offer to change the policy dates. No alternative dates had been arranged at that point. Admiral wasn't obliged to use hypothetical future dates as placeholders to maintain the policy. A single trip travel insurance policy is designed to cover a particular trip and it's necessary to know the trip dates. So, I don't think that Admiral made an error or acted unfairly during the phone call of 10 November 2022.*
- *Mrs R took out the policy in May 2022 and had the benefit of cancellation cover from that date. I don't think it would be fair or reasonable to direct Admiral to either refund the premium or provide cover for new trip dates following cancellation of the policy.*
- *I appreciate that if Mrs R had known the alternative trip dates on 10 November 2022 she would have asked Admiral to change the dates and it would have done so. But that's not what happened here. As there were no alternative trip dates at that point, I don't think that Admiral needed to do any more than it did.*
- *Admiral provided a pro rata refund and has offered a 20% discount on a new policy. That's more than it's required to do under the terms of the policy. I don't think that Admiral has made an error here, so it's also more than I would direct it to do.*
- *Considering everything and for the reasons I've set out above, I don't propose to uphold this complaint.'*

Responses to my provisional decision

Mrs R said that the trip provider made clear that her trip was cancelled and there was no option to rebook for an alternative date until a few days later. So, she wasn't able to tell Admiral about alternative dates when she phoned on 10 November 2022. Mrs R said that Admiral gave her the options of cancelling the policy or changing the dates.

Mrs R acknowledges the policy terms but says that the insurers of friends with whom she was meant to travel offered to freeze their policy for a period in case they wished to travel on different dates. Mrs R found it disheartening that Admiral didn't do the same. She said that terms and conditions can be adjusted in certain circumstances, and she doesn't agree that Admiral didn't need to do any more than it did.

Admiral didn't respond to the provisional decision.

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.

In response to my provisional decision, Mrs R said that Admiral gave her the option of cancelling the policy or changing the policy dates. But in her initial complaint she said that Admiral didn't ask her whether she would like to change the dates of the policy – only whether she wished to make a claim for cancellation or to cancel the policy. In either case, in the circumstances that arose here, I don't think that Admiral acted unfairly. At the time of Mrs R's phone call to Admiral, there was no suggestion that the trip provider would offer

alternative trip dates, so Mrs R couldn't provide alternative dates. And I don't think that Admiral was obliged to use hypothetical future dates.

I can't comment on the actions of her friends' insurers, as I haven't seen their policy terms and I'm not aware of what information they gave to their insurers.

I agree that the terms and conditions of the policy aren't the only consideration here. But I don't think that Admiral acted unfairly in cancelling Mrs R's policy, providing a pro rata refund and offering a future discount.

I'm sorry to disappoint Mrs R but for the reasons set out in my provisional decision and above, I don't uphold this 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 R to accept or reject my decision before 28 August 2023.

Louise Povey
Ombudsman