

The complaint

Mr and Mrs M complain that AllClear Insurance Services Ltd mis-sold them a 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, Mr M sought AllClear's advice in relation to a travel insurance policy for him and Mrs M. They had cruises planned in August 2022 and November 2022. Mr M disclosed several medical conditions, including impaired kidney function requiring dialysis.

AllClear recommended an annual travel insurance policy starting in May 2022, underwritten by a third party insurer. Unfortunately, Mr M was unfit to travel so Mr and Mrs M cancelled their trip in November 2022. The insurer settled Mr and Mrs M's cancellation claim in part. It paid the trip costs and car parking costs. It didn't pay the non-refundable fee Mr M had paid for dialysis during the trip, as it said that it wasn't covered by the policy.

Another ombudsman considered Mr and Mrs M's claim against the insurer and didn't uphold it. Mr and Mrs M also complained to AllClear about the sale of the policy. They said that they wouldn't have bought the policy if they'd been told that the cost of Mr M's dialysis treatment wasn't included in the cover.

In response to the complaint, AllClear said that whilst Mr M had declared that he had impaired kidney function and required dialysis, he didn't say that he required ongoing dialysis whilst abroad. It said that if he'd done so, it would have directed him to the exclusion in the policy which says that there's no cover for medication or treatment that's known to be required or continued outside the insureds' home country.

Mr and Mrs M want AllClear to refund the cost of pre-paid, unused dialysis treatment, pay compensation for their stress and to ensure there's no repetition of mis-selling.

One of our investigators looked at what had happened. She didn't think that AllClear mis-sold the policy to Mr and Mrs M. The investigator said that Mr M didn't tell AllClear that he wanted cancellation cover for pre-booked medical treatments. She said that AllClear advised Mr and Mrs M to read the terms of the policy and it's clear in the documentation what's covered in the event of cancellation.

Mr and Mrs M didn't agree with the investigator. Mr M said that the policy doesn't specifically exclude pre-paid medical treatments. Mr M said that whilst AllClear wasn't aware that his dialysis was prepaid, equally, he wasn't aware that it wouldn't be covered. He says that as he told AllClear that he required dialysis it should have been aware that he required dialysis whilst on a cruise.

As there was no agreement between the parties, the complaint 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.

I have considerable sympathy for Mr and Mrs M's position. Through no fault of their own, they had to cancel a trip and are out-of-pocket in relation to Mr M's pre-paid dialysis treatment. Having said that, I don't uphold their complaint because I don't think that AllClear acted unfairly or unreasonably.

AllClear gave Mr and Mrs M advice about their travel insurance policy, so it was obliged to make sure that its recommendation was suitable for their demands and needs.

I've listened to the sales call in February 2022. Mr M disclosed several medical conditions, including impaired kidney function requiring dialysis. It's clear that Mr and Mrs M were taking great care about disclosing medical conditions. But Mr M didn't say that he planned to pre-pay for dialysis treatment which he'd have whilst on a trip. I don't think it should have been obvious to AllClear that Mr M wanted cancellation cover for pre-paid medical treatment. I've thought about this carefully. On balance, based on the information available to AllClear, I don't think that its recommendation to Mr and Mrs M was unsuitable.

I've looked at the information AllClear made available to Mr and Mrs M. It directed Mr and Mrs M to the policy wording, so that they could ensure that the policy met their needs. I think that the cancellation section of the policy clearly sets out that in certain circumstances it covers the costs of travel, accommodation, excursions and activities. The policy doesn't provide cancellation cover for the cost of planned medical treatment. And one of the general exclusions says that the policy doesn't cover *'...any other loss connected to the event you are claiming for unless we specifically provide cover under this policy'*. I think that AllClear provided Mr and Mrs M with sufficient information to enable them to check whether the policy met their needs.

I'm sorry to disappoint Mr and Mrs M but there are no grounds on which I can fairly direct AllClear to refund the cost of Mr M's pre-paid, unused dialysis treatment or to pay Mr and Mrs M compensation. For the reasons I've explained, 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 M and Mr M to accept or reject my decision before 21 November 2023.

Louise Povey
Ombudsman