

The complaint

Mr and Mrs N complain that Euroins AD has turned down a cancellation claim they made on a travel insurance policy.

What happened

Mr and Mrs N were due to go on holiday in May 2023. They were scheduled to drive to a ferry port; sail to a European country and travel on to their destination.

Unfortunately, as they were driving from their home to the ferry port, their car was involved in a collision. Mr and Mrs N said that following the crash, neither their car, nor their child's car seat were usable. So they returned home.

Mr and Mrs N tried to call Euroins, but due to the timing of the accident, its claims team's office wasn't open. They say they tried to look into making new arrangements, such as hiring a car, or rearranging their ferry. But they say that due to the significant costs of making new travel arrangements and lack of ferry availability; they had no choice but to cancel the holiday. So they made a cancellation claim on the policy.

Euroins turned down Mr and Mrs N's claim. It said the circumstances of the claim weren't covered by either the cancellation or missed departure sections of the policy.

Mr and Mrs N were unhappy with Euroins' decision and they asked us to look into their complaint. They said that had they been able to speak to Euroins' claims team, they might have been able to make alternative arrangements. But given the lack of support, they'd had no choice but to cancel their trip.

Our investigator didn't think Mr and Mrs N's complaint should be upheld. In summary, he didn't think the claim was covered by either the cancellation or missed departure sections of the policy. He accepted that Mr and Mrs N hadn't been able to speak to Euroins' claims team. But he didn't think that had caused Mr and Mrs N to suffer a financial loss which they wouldn't otherwise have done. That's because he felt that given the costs Mr and Mrs N had said they'd have incurred had they rearranged their travel plans and, given the policy cover limits for missed departure, it was most likely they'd still have chosen to cancel their trip.

Mr and Mrs N disagreed and so their complaint's 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, whilst I'm very sorry to disappoint Mr and Mrs N, I don't think it was unfair for Euroins to turn down their claim and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the policy terms and the available evidence, to decide whether I think Euroins treated Mr and

Mrs N fairly.

First, I'd like to say how sorry I was to hear about the circumstances that led to this claim. I don't doubt how upsetting and worrying the car accident was for them. And I appreciate the circumstances of the claim were outside of their control.

However, no insurance policy covers every eventuality. Generally, an insurer will set out the risks it does and doesn't cover in the policy terms and will list any relevant exclusions on cover. So I've looked carefully at the policy terms and conditions, as these form the basis of Mr and Mrs N's contract with Euroins.

Mr and Mrs N made a cancellation claim on their policy, after they were unable to travel. So I think it was reasonable and appropriate for Euroins to consider whether Mr and Mrs N's claim was covered by the cancellation section of the policy. This says that Euroins will pay cancellation (or curtailment) claims which are caused by one of the following, specified, listed reasons:

1. *'the death, bodily injury or illness of you, a close relative, your travel companion or any person you have arranged to stay with during your trip; or*
2. *you, your travel companion or any person you have arranged to stay with during your trip receiving a diagnosis of coronavirus within 14 days of the start of the trip or in the case of being admitted to hospital due to coronavirus within 28 days of the start of the trip;*
3. *your booked accommodation being required to close after you have checked in at your booked accommodation because of you, a guest or employee being diagnosed with coronavirus;*
4. *you or your travel companion being denied boarding following either a coronavirus diagnosis or receiving a temperature test or other medical test reading which falls outside of the transport provider's terms of travel;*
5. *you being called for jury service or as a witness in a Court of Law (but not as an expert witness or where your employment would normally require you to attend court); or*
6. *your redundancy, provided that you were working at your current place of employment for a minimum of 2 years and that you were not aware of any impending redundancy at the time this policy was issued or the trip was booked; or*
7. *your home being made uninhabitable due to accidental damage, burglary, flooding, storm, or fire;*
8. *the police requesting your presence following burglary or attempted burglary at your home; or*
9. *you, or any person you intended to travel with, who is a member of the Armed Forces, emergency services, the nursing profession or a government employee being ordered to return to duty.'*

It's clear that Mr and Mrs N's trip wasn't cancelled as a result of any of the above, listed reasons. There's been no suggestion that they or their family were injured in the collision. So I don't think it was unreasonable for Euroins to conclude that the claim wasn't covered under this section of the policy.

Euroins also considered whether Mr and Mrs N's claim should be covered under the missed departure section of the policy. This says:

'We will pay up to the amount shown in the summary of cover for necessary travel and accommodation expenses required to reach your booked destination, if you miss your booked departure due to:

- 1. the vehicle you are travelling in to reach your international departure point breaking down or being involved in an accident; or*
- 2. an accident or breakdown happening ahead of you on a public road which causes an unexpected delay to the vehicle in which you are travelling; or*
- 3. the public transport you are using to reach your international departure point being delayed, resulting in you arriving too late to commence your booked trip.'*

Mr and Mrs N's claim was caused because the vehicle in which they were travelling to the ferry port was involved in an accident. But Mr and Mrs N *didn't* incur any additional travel and accommodation expenses in reaching their booked destination. On a strict interpretation of the policy terms then, I think Euroins was reasonably entitled to conclude that their claim wasn't covered by this section of the policy either.

I've thought very carefully about whether, in the very specific circumstances of this complaint, it would be fair and reasonable for me to ask Euroins to step away from a strict interpretation of the missed departure section of the policy and consider a claim. I've borne in mind that Euroins' claims team office wasn't open on the day of the accident and Mr and Mrs N had no access to any discussion about what cover they might be entitled to.

But, overall, on the facts of this case, I don't think it would. I've considered what Mr and Mrs N told us when they brought their complaint to us. They said that the costs of hiring a new vehicle were around £1000 and the rescheduling of the ferry would have cost around £400. They told us that these costs weren't affordable for them. They've also said that given the collision, their child's car seat wasn't usable. And they said that the ferry only had limited availability which would have meant they lost most of their holiday even if they had travelled later.

It's *possible* that if Mr and Mrs N had been aware of the missed departure cover, they might have acted differently. But I have to decide what I think is most likely to have happened, based on the available evidence. The policy only provided missed departure cover of up to £250 per person, along with an excess of £199 per person. This means even if a claim had been accepted, Mr and Mrs N would still have been liable to pay the policy excesses. Taking into account all they've told us about the affordability of the potential additional travel arrangements and the lack of available ferry crossings, I think, on balance, they'd still have decided to cancel their trip, even if they had managed to get through to Euroins.

So overall, in the specific circumstances of this complaint, I'm not persuaded it would be fair and reasonable for me to direct Euroins to consider and pay a missed departure claim outside of the policy terms. And while I sympathise with Mr and Mrs N's position and I know how disappointing this decision will be to them, I don't think there are any reasonable grounds upon which I could tell Euroins to pay their claim.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mrs N to accept or reject my decision before 21 February 2024.

Lisa Barham
Ombudsman