

## **The complaint**

Mr B complains that UK Insurance Limited (UKI) has turned down a cancellation claim he made on a travel insurance policy.

## **What happened**

Mr B has travel insurance as a benefit of a packaged bank account.

In October 2022, Mr B was due to fly abroad on holiday. Unfortunately, on his way to the airport to take his outward flight, his car broke down. The car needed to be recovered and so Mr B wasn't able to reach the airport in time to board the flight. He cancelled the holiday and made a claim on his travel insurance policy.

UKI turned down Mr B's claim. It said the circumstances of the claim weren't covered by either the cancellation or travel delay sections of the policy. And the policy didn't provide missed departure cover either. But UKI did accept that it hadn't handled Mr B's claim as well as it should have done and so it paid him £100 compensation.

Mr B was unhappy with UKI's decision and he asked us to look into his complaint.

Our investigator didn't think Mr B's complaint should be upheld. He didn't think the claim was covered by any section of the policy, so he didn't think it had been unfair for UKI to turn down the claim.

Mr B disagreed and I've summarised his response. He felt that UKI had 'lumped' the policy terms and conditions into a document which covered multiple account benefits. He didn't think most people would have seen or read the policy terms and conditions. He felt the policy made it clear that UKI covered cancellation claims and that therefore, his claim was valid.

The 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 sorry to disappoint Mr B, I think it was fair for UKI to turn down his 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 terms of Mr B's policy and the circumstances of his claim, to decide whether I think UKI treated him fairly.

I understand that the situation in which Mr B found himself was outside of his control. However, no insurance policy covers every eventuality and insurers are entitled to decide what level of risk they wish to accept in return for the premium paid for a policy. Therefore,

UKI's obligations under its contract with Mr B are limited by the terms, conditions and exclusions which are set out in the policy.

I appreciate that Mr B feels that the policy terms have been 'lumped-in' within the benefits set out in the account user guide. I accept that the travel insurance terms and conditions are detailed within the wider account user guide. But I'm satisfied that the travel insurance contract terms are laid out separately within the user guide document and that the terms are sufficiently clear. The user guide also includes an at-a-glance summary of the cover, which sets out the main policy benefits and includes details of significant or unusual restrictions on the cover. Overall then, I find that UKI set out the travel insurance cover in a clear and understandable way.

Mr B's policy says that UKI will cover the cancellation of a policyholder's trip if cancellation is down to one of the following, listed, insured events:

- '1 (A policyholder) dying, becoming ill or injured.*
- 2 The death, injury or illness of a relative, close business associate or a person with whom you have booked to travel or a relative or friend living abroad with whom you plan to stay.*
- 3 If you are called for jury service or as a witness or you are put in quarantine.*
- 4 An accident to a vehicle in which you were planning to travel which happens within seven days before the date you planned to leave which leaves the vehicle unusable (this applies to self-drive holidays only).*
- 5 If you are a member of the armed forces or police, fire, nursing or ambulance services which results in you having to stay because of an emergency.*
- 6 If you are made redundant as long as you are entitled to payment under the current redundancy payments law and that, at the time of booking your trip, you had no reason to believe that you would be made redundant.*
- 7 If the police need you to stay after a fire, flood or burglary at your home within 48 hours before the date you planned to leave.*
- 8 A medical practitioner advising you against travel for any reason.'*

In my view, UKI has clearly set out the specific, defined events for which it provides cancellation cover. Mr B's trip couldn't go ahead because his car broke down on the way to the airport. This simply isn't an event which UKI covers under the cancellation section of the policy.

I've considered too whether Mr B's claim should be covered under the 'Abandoning your holiday and travel delay' section of the policy. This says:

*'We will pay up to the following limits if the start of your pre-booked outward or return international journeys by aircraft, sea vessel or cross-channel train are delayed, due to circumstances outside your control. You must be delayed by at least eight hours on each occasion.'*

It's clear that Mr B's trip wasn't abandoned due to a delay to his outbound international flight. Unfortunately, the car breakdown meant he missed his planned departure. This isn't something which is covered under the travel delay section of the policy. And this particular policy doesn't cover missed departure either.

Like the investigator, I've looked carefully at the remaining sections of the contract. But there simply isn't any section which provides cover in the circumstances in which Mr B unfortunately found himself.

Overall, despite my natural sympathy with Mr B's position, I don't think there are any reasonable grounds upon which I could direct UKI to pay this claim. However, it's clear that

UKI didn't handle with Mr B's claim as well as it could've done. It didn't initially provide him with a written response to his claim; he experienced delays in contacting UKI and it didn't respond to a letter Mr B had written to it as quickly as it ought to have done. I don't doubt that this caused Mr B additional frustration on top of his understandable disappointment when he learned his claim wasn't covered. So I think it's right that UKI recognised these service failings and paid Mr B compensation as a result. In my view, the compensation of £100 which UKI has already paid Mr B is fair, reasonable and proportionate. It follows that I'm not telling it to pay anything more.

### **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 B to accept or reject my decision before 6 September 2023.

Lisa Barham  
**Ombudsman**