

The complaint

Miss M and Mr M have complained that Zurich Insurance PLC ('Zurich') has declined their claim.

What happened

Miss M and Mr M had an annual multi trip travel insurance policy, underwritten by Zurich.

They made a claim for cancellation due to the ill health of a family member. But Zurich said there was no cover as the policy start date was after the date of claim.

Miss M and Mr M complained but Zurich maintained its position. Unhappy, Miss M and Mr M referred their complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Zurich had done anything wrong as the start date of the policy was after the claim for cancellation. And it had paid appropriate compensation for its error and delay.

Miss M and Mr M disagreed and in summary, made the following comments:

- Zurich asked for medical information and this was illegal. As there was no claim to assess, it shouldn't have asked for confidential information.

And so the case has been passed to me.

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, I don't think this complaint should be upheld. I'll explain why.

- I have fully considered everything Miss M has said and whilst I won't comment on everything she has said, I will address what I consider to be key to my decision.
- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.
- The policy validation certificate confirms the start date of the policy is 7 December 2022 and the certificate says *"As you have chosen to change the start date of your policy please be advised that there will be no cover, including holiday cancellation if you have to cancel your holiday, prior to the start date mentioned."*
- The policy confirms cancellation cover applies from the policy start date or the date of booking a trip, whichever is later. In this case, the policy start date was later than the date of booking the trip and so cancellation cover would start then.

- The GP evidence shows that cancellation was necessary as of 30 November 2022 which is before the start date of the policy.
- Zurich accepted that it had taken too long to assess the claim and that it should have declined it when it was first notified of the claim. It paid £200 compensation for the distress and inconvenience caused and £60 for the cost incurred for the medical evidence.
- I consider the compensation paid is reasonable as Zurich should have declined the claim earlier without the need for the medical evidence based on the dates provided by Miss M on the claim form. I don't think further compensation is due as there were no further or lasting consequences.
- Miss M has asked if Zurich's actions were illegal. It's not for me to decide whether Zurich's actions were illegal. But I agree that it wouldn't have needed to request and review medical evidence had it declined the claim earlier. I think this caused unnecessary distress and inconvenience but I am satisfied that the compensation already paid by Zurich is fair and reasonable in all the circumstances of this complaint. So I won't be asking Zurich to do anything further.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M and Mr M to accept or reject my decision before 17 November 2023.

Shamaila Hussain
Ombudsman