

## **The complaint**

Miss V complains that Admiral Insurance (Gibraltar) Limited declined her travel insurance claim. My references to Admiral include its agents. Miss V is represented in her complaint by her father, but I'll just refer to Miss V.

## **What happened**

Miss V had an annual multi trip travel insurance policy, Admiral was the insurer. The policy covered from 25 February 2022 to 24 February 2023.

In March 2022 the airline Miss V was travelling with cancelled her domestic flight within South Africa as the South African Civil Aviation Authority had suspended the airline's air operator certificate due to safety issues. As a result Miss V was unable to take her booked return flight from South Africa to the UK. She had to rebook a flight to the UK for a later date. She claimed for the cost of rebooking the flight less the value of the voucher she received from the airline's franchise partner.

Admiral declined the claim. It said the circumstances of the claim weren't covered under the delayed or missed departure section of the policy and anyway the policy terms excluded any claim resulting from the airline failing to provide a flight.

Miss V complained to us. She said Admiral unfairly declined the claim as the exclusion it relied on was too wide and could exclude any situation. Also her father and his wife had successfully claimed under their travel insurance policy.

Our investigator said Admiral had unreasonably declined the claim as the supplier failure exclusion it relied on was intended to apply where the airline had ceased trading, which hadn't happened at that time. She recommended Admiral reconsider the claim under the delayed or missed departure section of the policy.

Admiral disagrees and wants an ombudsman's decision. It said the wording of the supplier failure exclusion was much broader than the airline ceasing to trade and it had fairly applied the exclusion.

## **What I provisionally decided – and why**

I made a provisional decision that I was intending to not uphold the complaint. I said:

'The relevant regulatory guidelines say insurers must handle claims fairly and promptly and mustn't unreasonably decline a claim.

I make decisions on the individual circumstances of a case, so even though Miss V's father and his wife had their claims paid by their insurer that doesn't mean Admiral unreasonably declined Miss V's claim. Their policy may have had different policy terms, and even if not, the issue I need to decide is whether Admiral reasonably declined Miss V's claim.

I'm sorry to disappoint Miss V but I'm intending to not uphold the complaint. I think Admiral reasonably declined the claim. I'll explain why.

A travel insurance policy doesn't cover every situation a policyholder finds themselves in. The policy sets out the events and risks an insurer wants to cover.

Even if I thought Miss V's claim might potentially be covered under the delayed or missed departure section of this policy the policy has general exclusions which apply to all sections of the policy. The supplier failure general exclusion says Admiral won't pay for:

*'any claim due to the actions or failure of any company providing or organising your transport or accommodation, to provide those services whether caused by error, insolvency, bankruptcy, liquidation, omission, default or other reason'.*

I think Admiral fairly considered that the exclusion doesn't only apply if Miss V's airline ceased to trade. The policy wording also says the exclusion applies if the airline fails to provide Miss V's flight due to listed reasons which include *'error...or other reason'*. I think Admiral reasonably considered that the airline not providing Miss V's flight due to its air operator certificate being suspended due to safety issues came under *'error'* or *'other reason'*.

Miss V says the exclusion is too wide. The policy wording means there's no cover when an airline fails to provide a flight for any reason and from Admiral's evidence that's its intention. I don't think that means the exclusion is too wide to be fair. In many circumstances an airline has legal responsibilities to a consumer if it fails to provide a flight. I appreciate seeking compensation from the relevant airline may not be possible in Miss V's situation as I understand it's now in liquidation. But the policy exclusion is clear that Admiral has excluded cover for a claim where an airline fails to provide a flight so I don't think it would be reasonable for me to say it should cover the claim.

I'm satisfied that Admiral reasonably applied the exclusion to decline the claim'.

### **Responses to my provisional decision**

Miss V said she didn't agree with my provisional decision but she had no further evidence to provide. Admiral didn't respond.

### **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.

As Miss V says she has no further evidence to provide, and Admiral hasn't responded, to my provisional decision I've no reason to change my mind.

For the reasons I've given in my provisional findings and these findings I don't uphold the complaint. I'm satisfied that Admiral reasonably applied the supplier failure exclusion to decline the claim.

**My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 28 August 2023.

Nicola Sisk  
**Ombudsman**