

## The complaint

Mr and Mrs C complain that Chaucer Insurance Company Designated Activity Company declined their claim against their travel insurance policy. Reference to Chaucer includes its agents.

## 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, on 22 April 2022, Mr and Mrs C planned a trip with intended departure and return dates of 9 July 2022 and 17 July 2022 respectively. On 29 April 2022, they took out a single trip travel insurance policy underwritten by Chaucer.

In October 2021, Mr C's mother, who I'll refer to as Mrs C1, was diagnosed with metastatic melanoma. In May 2022, Mrs C1's health deteriorated. I understand that Mrs C started to receive end-of-life care on 8 July 2022 and Mr and Mrs C were advised to cancel their trip. Mrs C contacted Chaucer. It's not in dispute that Chaucer told Mrs C that they had a valid claim for cancellation. Mr and Mrs C cancelled their trip. I understand that Mrs C1 died shortly afterwards.

In late July 2022, Mr and Mrs C made a claim against the policy in relation to their cancellation costs. In October 2022, Chaucer declined the claim. It relied on an exclusion in the policy in relation to claims arising as a result of an existing medical condition of a non-travelling close relative. Chaucer said that there was no cover for what happened here. It apologised for giving incorrect information about the claim and raising expectations. It also apologised for its delay in dealing with the claim. Chaucer offered Mr and Mrs C compensation of £100 in relation to service issues.

Mr and Mrs C didn't think that was fair. They say that the deterioration of Mrs C1's health was entirely unexpected as she received positive news about her health in January 2022 and wasn't due to see her oncology team again until August 2022. Mr and Mrs C say that the speed of events was a complete shock. They say that they had no reason to believe they'd have to cancel their trip at the time of booking. Mr and Mrs C say that when they contacted Chaucer in July 2022, they were told that they would be covered in this scenario. They say that if they hadn't been given incorrect information they may have made a different decision about the trip. Mr and Mrs C also complain about Chaucer's delay in dealing with their claim. They want Chaucer to pay their claim.

One of our investigators looked at what had happened. She didn't think that Chaucer had acted unfairly in declining the claim. That was because it had excluded any claim arising as a result of an existing medical condition of a non-travelling close relative. The investigator said that the medical evidence supports Chaucer's conclusion. She thought that Chaucer's offer of compensation of £100 was fair in relation to service issues.

Mr and Mrs C didn't agree with the investigator. They say that she'd overlooked the doctor's comment that there is no way they could have known that they'd need to cancel their trip at the time of booking. The investigator considered Mr and Mrs C's response but didn't change her view. Mr and Mrs C asked that an ombudsman consider their complaint, so it 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 C and I'm sorry to hear of the circumstances which led to the claim.

#### the relevant terms and conditions

The starting point is the terms and conditions of the policy, the relevant parts of which say as follows:

#### ***'Important conditions relating to health***

*[...]*

***We are unable to provide cover for any claim arising as a result of an **existing medical condition** of a non-travelling **close relative** [...] or any known or recognised complication of or caused by the **existing medical condition**.***

#### ***BE AWARE! We do not provide any cover for:***

- *[...]*
- *Claims caused by an **existing medical condition** of a non-travelling close relative [...] or any known or recognised complication of or caused by the existing medical condition. [...]*

#### ***'General exclusions***

*[...]*

***We will not cover the following***

*[...]*

***2. Any claims arising as a result of an **existing medical condition** of a non-travelling **close relative** [...] or any known or recognised complications of or caused by the **existing medical condition**. [...]***

The policy defines '**existing medical condition(s)**' as:

***'Any serious or ongoing or recurring **medical condition** which has been previously diagnosed or been investigated or treated in any way, at any time prior to travel, even if this condition is currently considered to be stable and under control.'***

**'Medical condition'** is defined as 'Any disease, illness or injury, including any psychological conditions.'

### **Section A – Cancelling your trip**

#### **What you are covered for under Section A**

We will pay up to the amount shown in the table of benefits for:

- travel and accommodation expenses which you have paid or have agreed to pay under a contract and which you cannot get back; [...]

We will provide this cover if the cancellation of your trip is necessary and unavoidable as a result of the following.

[...]

4. The death, serious illness or injury of a **relative** [...]

**Please note:** [...] The incident giving rise to the claim must have been unexpected and not something **you** were aware of when **you** purchased this insurance. Please see 'Important conditions relating to health' [...] and 'General Exclusions' [...] for further details.'

has Chaucer acted unfairly or unreasonably?

The relevant rules and industry guidance say that Chaucer has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I don't uphold Mr and Mrs C's complaint because I don't think that Chaucer acted unfairly or unreasonably in declining their claim. I think that it's offer of compensation of £100 in relation to service issues is fair and reasonable. I say that because:

- Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The onus is on the consumer to show that the claim falls under one of the agreed areas of cover within the policy. If the event is covered in principle but is declined on the basis of an exclusion set out in the policy the onus shifts to the insurer to show how that exclusion applies.
- Subject to the policy terms, Mr and Mrs C's policy provides cover for certain costs following cancellation of a trip following the serious illness of a relative. There's an exclusion in the policy in relation to claims arising as a result of an existing medical condition of a non-travelling close relative. I think that Chaucer was entitled to rely on that exclusion and I'll explain why.
- Mrs C1's diagnosis of metastatic melanoma was an existing medical condition, as defined by the policy. It was a serious, ongoing, diagnosed medical condition. I note what Mr and Mrs C about Mrs C1's state of health at the time they booked their trip and took out the policy. I accept that they couldn't have foreseen that Mrs C1's medical condition would cause the cancellation of their trip. That's confirmed in the medical certificate. But that doesn't alter the outcome here. That's because Mrs C1's medical condition was an existing medical condition even if it was stable and under control. And the policy excludes claims arising out of an existing medical condition.
- It's common for this type of policy to exclude claims arising out of existing medical conditions. I think that Chaucer made the exclusion sufficiently clear so that Mr and Mrs C could determine whether the policy was right for them.

- It's common ground that when Mrs C phoned Chaucer in July 2022, she was led to believe that she could make a successful claim for cancellation. When mistakes like this happen, we don't proceed on the basis that the incorrect information is true. We look to see the effect of the error on the individuals.
- Mr and Mrs C say that they may have made a different decision about cancelling their trip if they'd received correct information. On balance, I don't think I can safely conclude that Mr and Mrs C would have acted differently if they'd been told that their claim for cancellation costs wouldn't be covered. According to the medical certificate, Mr and Mrs C were advised to cancel their trip on 8 July 2022. Given Mrs C1's rapid decline in health, I think it's more likely than not that they would have cancelled their trip even if Chaucer had informed them correctly that their claim wasn't covered. I think that Mr and Mrs C were subsequently understandably disappointed to learn the true position.
- Chaucer took much longer than we'd reasonably expect to deal with the claim. Mr and Mrs C made their claim in late July 2022 but didn't receive Chaucer's decision until October 2022.
- I think that Chaucer's offer of compensation of £100 in relation to incorrect information and the delay in dealing with the claim is fair and reasonable. In reaching that view, I've taken into account the nature, extent and duration of the errors it made.
- I'm sorry to disappoint Mr and Mrs C, but for the reasons I've explained, I don't uphold their complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

If Mr and Mrs C wish to accept the offer Chaucer made previously, they should contact it direct.

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

Louise Povey  
**Ombudsman**