

The complaint

Mr and Mrs N complain about how U K Insurance Limited handled a claim against their travel insurance policy. Reference to UKI 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, Mr and Mrs N have travel insurance as a benefit of a bank account. In April 2023, they curtailed a trip as a family member was admitted to hospital. They rearranged their return flights at no extra cost.

Mr N made a claim against the policy in relation to unused car hire and accommodation costs. UKI applied two excesses to the settlement. Mr and Mrs N didn't think that was fair and pursued their complaint.

Essentially, Mr and Mrs N say that the costs claimed were the same whether Mr N was travelling alone or with Mrs N. They want UKI to refund one of the excesses and pay compensation for their distress and time spent dealing with the matter.

One of our investigators looked at what had happened. She didn't think that UKI had acted unfairly or unreasonably in applying two excesses. The investigator said that she appreciated that Mr N booked the car hire and accommodation but as Mrs N was also covered under the policy, UKI was entitled to apply the excess in the way that it had.

Mr and Mrs N didn't agree with the investigator. Mr N responded to say that UKI originally applied only one excess and only applied the second excess when he said that he was travelling with Mrs N. He said that it's harsh, as he didn't claim for reimbursement of two air fares. Mr N also said that the service he received from UKI was poor and that it didn't return his call, as promised.

Mr N asked that an ombudsman consider the complaint, so it was passed to me to decide.

In this decision, I'm dealing with the matter Mr and Mrs N raised with UKI which led to its final response on 23 June 2023. If Mr and Mrs N have further concerns about the service they received, they should raise them with UKI in the first instance. I should mention here that, in any event, our service can only consider complaints about financial services. So, if Mr and Mrs N's further concerns are about UKI's handling of their complaint – as distinct from their claim - we won't be able to consider it because complaint handling isn't a regulated activity.

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.

The relevant rules and industry guidance say that UKI has a responsibility to handle claims promptly and fairly. I don't intend to uphold Mr and Mrs N's complaint and I'll explain why:

the relevant terms and conditions

The terms and conditions of the policy include the following:

'Section C

-Cutting short your trip (after your trip has started)

What is covered

1. Curtailment

We will cover *you* for *your*:

- *unused accommodation costs and travel costs (including car hire, excursion and activities)*
- *[...]*

*that **you** have paid or legally have to pay if **you** unavoidably need to **abandon your trip** while **you** are away for one of the following reasons:*

- *One of the following people is [...] seriously ill*
 - *[...]*
 - *a close relative*
 - *[...]*

What is not covered

We will not cover:

- *The **excess** amount. This is £75 for every claim for each **insured person**. [...]*

'Excess – the amount *you* must pay towards any claim. The excess applies separately to:

- *each **insured person** claiming; and*
- *each event that leads to a claim.'*

has UKI acted unfairly or unreasonably?

I don't think that UKI has acted unfairly or unreasonably in dealing with the claim. I'll explain why.

Both Mr and Mrs N are insured under the policy. They were both on the trip they had to curtail. I think it was reasonable for UKI to treat this as a claim for both Mr and Mrs N.

Mr N says that he paid for the accommodation and car hire costs. It's not unusual for one person in a couple to make payments for joint trips. The unused accommodation and car hire costs were for the benefit of both Mr and Mrs N.

I think that UKI acted fairly and reasonably in applying two excesses to the claim. Put another way, I don't think it would be fair and reasonable to require UKI to apply only one excess because only one of the insured in a couple paid for certain expenses where both insured had to curtail their trip.

As the investigator explained, if Mrs N were not insured under the policy, Mr N would only be able to claim his proportion of the unused accommodation and car hire costs. In those circumstances, only one excess would be applied.

I've set out above the relevant part of the policy. I think it's clear that the excess applies to each insured person, which in this case means Mr and Mrs N. UKI acted in accordance with the terms and conditions of the policy in applying the excess due under the policy to both Mr N and Mrs N's claim. I don't think that it acted unfairly in doing so.

I'm sorry to disappoint Mr and Mrs N but there are no grounds on which I can fairly direct UKI to waive one of the excesses.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N and Mr N to accept or reject my decision before 20 December 2023.

Louise Povey
Ombudsman