

The complaint

Mr W complains about Euroins AD's settlement of his travel insurance claim. My references to Euroins include its agents.

What happened

Mr W had single trip travel insurance, Euroins was the insurer. On the last full day of Mr W's holiday abroad he was pickpocketed and his passport and wallet were stolen.

Mr W had to extend his holiday to get a temporary passport. A colleague he was travelling with also had his passport stolen. Mr W and his colleague went by train to the nearest consulate, which was in another city, to get a temporary passport. As the consulate was closed over the weekend Mr W had to stay in a hotel for three nights until a temporary passport was issued. He had to buy a new flight to return to the UK. Mr W's colleague paid for the train, hotel and new flight for Mr W on the understanding that Mr W would pay him back when they got to the UK.

Mr W claimed for:

- The travel to and from the consulate and travel from there to the airport.
- Three nights accommodation and meals.
- New flight cost to return to the UK.
- Cost of the temporary passport, photo for the passport and a new driving licence.
- £10 and 220 Euros that were in the stolen wallet and a replacement wallet.

Euroins paid £44.93 which was the cash Mr W could evidence. It said the policy terms only covered costs of travel to and from the consulate to obtain the temporary passport and as Mr W's colleague had paid for the costs he didn't have any loss anyway. Euroins said the other costs Mr W claimed weren't covered.

Mr W complained to us. He wants his claim paid in full. During our investigation Mr W sent us copies of various receipts for the costs claimed and evidence that he'd repaid his colleague for the relevant costs.

Our investigator said Euroins should pay Mr W the travel costs to and from the consulate, plus interest. She said the other costs Mr W claimed weren't covered.

Mr W disagreed and wanted an ombudsman's decision. I issued a provisional decision to enable both parties to comment before I reached my final decision.

What I provisionally decided – and why

I made a provisional decision that I was intending to require Euroins to pay more of the costs Mr W claimed than our investigator had recommended. I said:

‘The relevant rules and industry guidelines say that Euroins has a responsibility to handle claims promptly and fairly. And it shouldn’t unfairly reject (or settle) a claim.

I think Euroins unreasonably settled the claim. I’ll explain why.

The policy covers expenses for loss of passport up to a maximum of £500 per insured person, with no excess. The policy terms and conditions set out what is covered under loss of passport:

‘We will pay up to the amount shown in the summary of cover for:

- 1. the costs in obtaining a replacement passport or travel document (you are not covered for the cost of the document itself) to enable you to return to your home country following accidental loss or theft;*
- 2. the costs in obtaining a replacement driving licence or green card following accidental loss or theft.*

What you are NOT covered for

- 1. the excess shown in the summary of cover;*
- 2. the cost of the passport, travel document, driving licence or green card;*
- 3. loss due to delay, detention, confiscation, requisition or damage by customs or other officials or authorities;*
- 4. loss or theft unless you have reported the loss or theft to the nearest police authority within 24 hours of discovery and have obtained a written police report;*
- 5. loss of or theft from an unattended vehicle;*
- 6. anything mentioned in the General Exclusions’.*

I don’t think the policy terms make it clear that only travel costs to and from the consulate to get the replacement passport are covered.

Mr W claimed for the cost of travelling from his holiday destination to the nearest consulate, local travel costs to and from the consulate, accommodation whilst the passport was being sorted out and a new return flight as he missed his original flight. I think that those costs can reasonably be considered as *‘the costs in obtaining a replacement passport or travel document ... to enable (Mr W) to return to...(his) home country’*. In any event, any ambiguity in the policy terms is interpreted in Mr W’s favour. Mr W’s sent us evidence that he has paid his colleague for the costs his colleague paid on his behalf. So I’m satisfied that Mr W does have an insured loss.

Once Euroins has received the receipts for the relevant costs from Mr W Euroins should pay those costs plus interest as I’ve detailed below.

The policy doesn’t cover the cost of the passport itself, which would include the photo for the passport, and doesn’t cover the cost of Mr W’s driving licence. There’s no policy cover for the cost of the meals.

The policy covers stolen cash up to a maximum of £200 per insured person, with a £195 excess. As Euroins paid Mr W £44.93 for the cash he could evidence it paid above the cash limit.

Mr W claimed £35 for a replacement wallet but as there's a £195 excess for claims under the personal possession section the excess exceeds the value of the wallet'.

Responses to my provisional decision

Neither Euroins nor Mr W responded to my provisional decision by the date I gave them to 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 Euroins and Mr W didn't respond 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 think Euroins unreasonably settled Mr W's claim. I uphold this complaint. Euroins should put things right as I've detailed below.

Putting things right

Euroins must pay Mr W, when it's received the receipts for the relevant costs from him, the costs of:

- His travel from his holiday destination to the consulate and his local travel costs to and from the consulate, and
- His extra three nights accommodation, and
- His new return flight

subject to the remaining policy terms and policy limits, plus interest as I've detailed below.

My final decision

I uphold the complaint.

I require Euroins AD to pay Mr W, when it's received the receipts for the relevant costs from him, the costs of:

- His travel from his holiday destination to the consulate and his local travel costs to and from the consulate, and
- His extra three nights accommodation, and
- His new return flight

subject to the remaining policy terms and policy limits. It must pay 8% simple interest* from the date of the original settlement of the claim to the date of final settlement.

*If Euroins AD's considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mr W how much it's taken off. It should also give Mr W a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 February 2024.

Nicola Sisk
Ombudsman