

The complaint

Mr and Mrs G are unhappy that they didn't have the cover they thought they had after Lloyds Bank PLC changed the travel insurance provider for the policy that's linked to their packaged bank account.

What happened

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- In November 2021 Lloyds changed travel insurance providers and the new policy paid the Travel Delay benefit only if Mr and Mrs G had travelled to their point of departure and checked in. The policy provided by the previous insurer did not include this stipulation. Mr and Mrs G think Lloyds should have done more to bring this limitation to their attention. And, if it had done so, they might have sought alternative cover elsewhere when they booked a holiday in December 2022. On the day in June 2023 when they were due to travel, their flight was cancelled and their subsequent travel insurance claim was declined because they had not checked in at their departure point.
- Lloyds said it wrote to Mr and Mrs G ahead of the policy changes and told them to read the full terms and conditions, which explained what cover was provided. They were also sent an Annual Eligibility Statement in November 2022 which encouraged them to review the policy terms and conditions to check it was suitable for them. Mr and Mrs G remained unhappy and asked us to look into their complaint.
- Our investigator thought Lloyds had done enough to make Mr and Mrs G aware of the changes and didn't recommend that their complaint should be upheld. Mr and Mrs G didn't accept this, so the complaint has come 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 agree with the investigator that Lloyds did enough here to notify Mr and Mrs G about the changes. I note, in particular that:

- These days it's not unusual for travel insurance to include this particular limitation, so I wouldn't usually expect it to be specifically drawn to a policyholder's attention.
- The September 2021 mailing which explained about the change in insurance provider encourages Mr and Mrs G to read the terms and conditions enclosed for full details and exclusions and that some of the changes might affect what they're covered for. This mailing was emailed to Mr G and there's no dispute that he received it. The terms and conditions set out clearly when the Travel Delay benefit will be paid.

- Lloyds records indicate it sent an Annual Eligibility Statement to Mr G, by email, in November 2022 which was before he booked the holiday that led to the insurance claim. Mr G says he didn't receive this, but he seems to have received all the other emails the bank has sent him about policy changes as well as previous and subsequent Annual Eligibility Statements. And he seems aware that the latter should be sent each year. So if he didn't receive this I wonder why he didn't query this with the bank. The November 2022 Annual Eligibility Statement told Mr G to check the travel insurance cover was still right for him and noted that the terms and conditions contained the full policy details. The Travel Delay limitation isn't mentioned in the "Main exclusions and requirements to be able to make a claim" section of this statement because, as I've already noted, this is now a fairly standard limitation with travel insurance policies so I wouldn't expect it to be drawn specifically to Mr and Mrs G's attention. The terms and conditions set out clearly when the Travel Delay benefit will be paid.
- Mr and Mrs G have noted that a mailing sent to them in October 2023 specifically mentioned the need to travel to the departure point in order to benefit from the Travel Delay benefit. But, having read this entire document, I don't agree with Mr and Mrs G's suggestion that this was included in order to make up for the fact this limitation hadn't been drawn to their attention explicitly in the earlier updates.
- The policy changes took effect in November 2021 and it was not until December 2022 (over a year later) that Mr and Mrs G booked their holiday which was to take place in June 2023. I think Mr and Mrs G had ample chance to check the new policy terms and conditions to ensure it met their needs.

With all of the above in mind, I can't fairly instruct Lloyds to cover the losses Mr and Mrs G have claimed.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 15 December 2023.

Ruth Hersey
Ombudsman