

The complaint

Mr S complains that AXA Insurance UK Plc has unfairly declined a claim made under his travel insurance policy.

What happened

Mr S held a bank account which provided worldwide travel insurance as an additional benefit. The travel insurance policy is underwritten by a third party and serviced by AXA.

In January 2019, Mr B booked a trip abroad for himself and his family. The trip was due to start in late July 2019 and end in August 2019. Following the terrorist attacks in the country, Mr S cancelled the trip in May 2019, and then made a claim under his policy in mid-June 2019.

Mr S sent AXA his claim documents on numerous occasions because they weren't receiving them. AXA finally received the documents in late July 2019 and declined the claim in August 2019. They said Mr S's reasons for cancelling the trip didn't fall within the policy terms. They noted the policy terms didn't cover claims which arose from terrorist attacks or travel to countries the Foreign and Commonwealth Office (FCO) hadn't advised against visiting.

Mr S didn't agree. He said he made the claim because he was told AXA would treat his claim sympathetically despite the policy guidelines during a call he'd had with them in early June 2019. He also said he was unhappy he had to contact AXA numerous times to send his claims documents.

AXA accepted there was a delay in processing the claim because of their failure to receive the claims documents, and offered Mr S £50 compensation to apologise. They said they felt they'd applied the policy terms correctly when assessing Mr S's claim. They also said the FCO hadn't advised against travel to his holiday destination at the time of departure or when he'd cancelled the trip, or at the time they were reviewing his claim. So, they didn't think this was the reason for the cancellation. Mr S didn't agree and asked this service to look into his complaint.

Our investigator didn't uphold the complaint. She felt AXA had reasonably declined the claim because the FCO weren't advising against travel to the holiday destination at both the time the trip was cancelled, and when it was due to start the following month. She also said there had been some customer service failings, but she felt £50 was a fair and reasonable offer for the distress and inconvenience Mr S had suffered as a result.

Mr S didn't agree and asked for an ombudsman to look into his complaint. So the complaint has been passed to me to make a decision.

I issued a provisional decision on 27 March 2020. I said the following:

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've decided to uphold it in part. I'll explain why.

Mr S's claim

I need to consider whether I think it's fair and reasonable for AXA to rely on the policy exclusions they quoted to decline Mr S's claim. And in the circumstances, I think it was. The policy terms say AXA won't pay for claims which arise directly or indirectly from war risks, civil commotion, terrorism, sonic bangs or radioactive contamination. The terms also say AXA won't pay for claims which arise directly or indirectly from travel to a country, area or event which the FCO or World Health Organisation advise the public not to travel to.

Mr S told us that part of his holiday had been cancelled in late May 2019, by the company providing the villa accommodation, due to the terrorist attacks the month before. He also said that at that time the FCO guidance had been not to travel to his holiday destination unless the travel was essential. Mr S said that because of this, he'd decided to cancel the remainder of his holiday in mid-June 2019 after he'd spoken to AXA. He told us that he was unhappy as he felt AXA hadn't considered what the FCO advice was when he'd cancelled his holiday.

I've seen that when AXA initially declined Mr S's claim in mid-August 2019, they said that this was because at that time the FCO guidance didn't advise against travel to their holiday destination. And I recognise that Mr S felt he'd been treated unfairly when he received this response from them, as they didn't take into consideration the circumstances of his claim and the FCO guidance at the time he'd actually cancelled his trip.

But I've also seen that when Mr S approached AXA about this again, they sent a further letter with a different reason for declining his claim. In this letter they explained that the FCO hadn't advised against travelling to his holiday destination at the time Mr S cancelled his trip, and they had downgraded their warning a couple of weeks before. Although Mr S remains unhappy with AXA's response, they did reconsider the claim after he contacted them to raise his concerns. So, I can't say AXA treated Mr S unfairly.

I've looked at evidence submitted from both parties, and publicly available information such as the FCO website for the dates in question. And I've seen that when Mr S's accommodation was cancelled by the provider in May 2019, the FCO's guidance was not to travel to the country unless it was essential. However, by the time Mr S had cancelled the remainder of his trip which he was claiming for in mid-June 2019, the FCO guidance had been changed and was no longer warning against travelling to his holiday destination – although it did say there had been a terrorist attack in April 2019 and gave a warning of potential further attacks.

I recognise this would have been a worrying time for Mr S, and it's likely he would've still had concerns about travelling, but claims arising from terrorist attacks are not covered under the policy terms. And the FCO guidance at the time of the cancellation didn't say Mr S shouldn't travel to his holiday destination. So, I can't reasonably say AXA have treated him unfairly by not paying his claim for the parts of the holiday which were cancelled after the change in guidance had been updated several weeks earlier.

Mr S says he made the claim because he was told AXA would consider it sympathetically, despite the policy guidelines, when he called them in June 2019. I've listened to the call – which confirms the agent did say AXA wouldn't normally cover cancellations in his circumstances. But, would look into the claim as they were aware it was affecting so many people. The agent also suggested Mr S should provide a letter from his travel agent or airline, to confirm they wouldn't be able to cover the costs. So, I

can see why Mr S understood this to mean his claim would be considered in his circumstances.

However, I've noted that the agent also said they couldn't guarantee his trip would be covered. So, I'm satisfied it was made clear to Mr S that AXA would consider his claim but may not cover the cancellation. In light of the above, and based on the circumstances of this case, I don't think AXA have treated Mr S unfairly. So I won't be asking them to do anything more for this part of the complaint.

Delays in processing the claim

AXA have acknowledged Mr S did correctly send his claims documents on numerous occasions between June 2019 and July 2019. They accept there was a delay in progressing Mr S's claim due to failure of not receiving the documents and have said this was caused by an error.

I need to consider whether I think £50 is a fair and reasonable amount of compensation for the trouble and upset AXA's errors caused Mr S. Mr S says he had to send his claims documents up to 11 times before AXA received them. I've seen evidence of email chains between Mr S and AXA which show he was trying to send the emails as directed, and a screen shot of Mr S's sent emails - which also show he resent and forwarded emails to AXA about his claim.

I've also listened to the calls Mr S made to AXA. The calls suggest Mr S had resent the claims documents correctly at least three times before AXA successfully received them. Each agent Mr S spoke to confirmed he'd sent the documents to the right email address and agreed to contact him to confirm whether the documents had been received. But there's no evidence to show they did this - which explains the reason why Mr S felt the need to call back repeatedly.

Despite sending the claims documents to the correct address, Mr S also had to send his claims forms by post too. I also understand why Mr S was frustrated by this and I imagine it was an inconvenience each time he had to call and resend the documents. AXA told Mr S it would normally take between five to seven days to assess a claim. But I've seen that it took AXA around five weeks to receive the claims documents, and around seven weeks to assess the claim. So I don't think £50 is fair and reasonable for the worry, frustration and inconvenience Mr S suffered over the seven weeks it took to for him to receive the outcome of the claim. And I think AXA should pay Mr S £100 compensation for the trouble and upset caused.

I recognise this has been a frustrating time for Mr S, and I'd like to reassure him that I've carefully read all the information that's been provided. I understand why Mr S feels strongly about what's happened and I realise this won't be the outcome he was hoping for as he wanted his claim paid. But I don't think that's reasonable in these circumstances.

I invited Mr S and AXA to give me any more evidence and information they wanted me to consider before issuing my final decision. AXA accepted my provisional decision.

Mr S disagreed with my decision, he said in summary:

- He had been trying to contact AXA since early May about cancelling the holiday - before the company who were providing the villa accommodation did so at the end of May;
- His first call to AXA was in early June before the FCO advice had been updated.

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've reached the same conclusion as I did in my provisional decision.

Mr S said he called AXA in early June before the FCO advice had been updated, and this isn't in dispute. However, I've listened to the call and heard that Mr S didn't say at any point that he'd cancelled his holiday, what he did ask was would he be covered *if* he cancelled it.

The agent asked Mr S if his holiday was a packaged holiday, so he could try claiming under ATOL. But Mr S confirmed he'd looked into this, and ATOL were only looking at holidays which were booked until the end of June - which is why he was contacting AXA instead. The agent then suggested Mr S submit a claim form so his claim could be considered - but she confirmed this wouldn't be guaranteed.

I recognise that the FCO updating their guidance a couple of days after this call was unfortunate timing for Mr S, but I can't reasonably hold AXA responsible for this. So, based on what I've seen, I think AXA gave Mr S reasonable guidance based on the information that was available to them. And I haven't seen any evidence that shows AXA agreed to cover Mr S's claim before the FCO guidance had been updated. So I don't think AXA have treated Mr S unfairly.

I also acknowledge Mr S's comment that he tried to contact AXA about cancelling his holiday back in May 2019. However, I've seen evidence that Mr S submitted an email enquiry at the beginning of May, but I can't see that he tried to contact AXA again after this point until the call at the beginning of June 2019. I acknowledge Mr S feels AXA should have done more to contact him, and the lack of response delayed him making a decision on what to do. But it's not for me to punish a business for making a mistake and I can't reasonably say that by not responding to Mr S's email, AXA prevented Mr S from cancelling his holiday.

I've carefully read all the information that's been provided, and I understand why Mr S feels strongly about what's happened. I realise this won't be the outcome he was hoping for, but I don't think AXA have treated Mr S unfairly by not refunding his cancellation costs. So I won't be asking them to do anything more on this point.

Putting things right

As I've reached the same conclusion as I did in my provisional decision, AXA Insurance UK Plc must do the following:

- Pay Mr S £100 compensation for the trouble and upset caused.

My final decision

My final decision is that I uphold this complaint in part. AXA Insurance UK Plc must follow the instructions I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 June 2020.

Jenny Lomax

Ombudsman