

The complaint

Mrs B complains that U K Insurance Limited declined her claim against her travel insurance policy following the cancellation of her trip. Reference to UKI includes reference to its agents.

What happened

Mrs B has travel insurance as a benefit of her bank account. The chronology of events is important and I'll refer to it in more detail below. In summary:

- 18 April 2019 Mrs B booked flights for herself and her five children in order to attend a family wedding. The intended departure and return dates were 17 July 2019 and 8 September 2019 respectively.
- 19 June 2019 One of Mrs B's children became ill and was subsequently admitted to hospital.
- 15 July 2019 Mrs B's travel agent cancelled the flights for Mrs B's two younger children and applied for a refund from the airline. The remaining four flights were rescheduled in the hope that Mrs B's daughter would be better, and travel would be possible. The rescheduled departure and return dates were 13 August 2019 and 8 September 2019 respectively.
- 17 July 2019 Mrs B's two youngest children flew to the intended destination with relatives on other flight tickets bought by a relative.
- 23 July 2019 Mrs B made a claim against her policy.
- 9 August 2019 Mrs B's travel agent cancelled the rescheduled flights and applied for a refund.
- 23 September 2019 Mrs B received a refund of £2,280 from the travel agent, which was the cost of the tickets (£4,920) less re-issue and cancellation charges (£2,640).

UKI declined Mrs B's claim. It initially offered Mrs B compensation of £100 in relation an aspect of its initial handling of the matter, but it later withdrew that offer. UKI said that Mrs B hadn't complied with a condition of the policy that requires her to be honest and truthful in her dealings with it. It said that Mrs B had knowingly and dishonestly given it information that she was aware was untrue or misleading. UKI cancelled Mrs B's policy from the date of the claim and didn't refund the premium. UKI also said it would share details of the matter with fraud prevention agencies.

One of our investigators looked at what had happened. He didn't think that UKI had acted fairly in declining Mrs B's claim. The investigator said that he didn't think that Mrs B had submitted a fraudulent, false or exaggerated claim.

Mrs B accepted the investigator's view but UKI didn't. It said:

- Mrs B had deliberately misled it and consistently provided false information.
- In the first call about the claim, Mrs B said no one was able to travel but that wasn't correct, as two of her children had already travelled by then.
- Mrs B said that she hadn't spoken to her travel agent but that wasn't correct, as four of the flight tickets had been reissued and were in her possession.
- Mrs B said that she wasn't sure if she was able to exchange the tickets or get a refund but that wasn't the case, as her travel agent had reissued the tickets.
- Mrs B only provided information at a late stage, after she couldn't use the rescheduled flights.
- The travel agent failed to disclose initially that it had reissued four of the flight tickets for a later date.
- It's far-fetched for Mrs B to claim that the travel agent paid for the re-scheduled tickets out of its own pocket.
- It had declined a previous claim by Mrs B for the same trip following what Mrs B believed to be a scam in that she paid a deposit for flight tickets which were never received.

The investigator asked Mrs B some further questions. Mrs B said:

- UKI didn't handle her claim fairly from the outset. It initially said that she'd lied about her destination but that wasn't correct. UKI offered her compensation for the initial handling of her complaint.
- She didn't expect to receive the full cost of the flights – UKI only asked her about the cost of the flight tickets, not how much she wished to claim. She didn't quantify her claim.
- She would accept UKI's decision if it said that the claim wasn't covered by the policy, but she doesn't accept that she acted fraudulently.
- A family member arranged and paid for two flights for her two younger children, so that was a separate booking she played no part in and didn't mention it to UKI as she didn't think it was relevant. She told UKI about it when asked.
- She was aware of the re-issued tickets on 15 July 2019, but she wasn't aware of the full terms and conditions of the booking. Her travel agent wasn't available so she spoke with his wife who wasn't sure if the tickets could be refunded or reissued. Her travel agent's wife said that the original tickets were non-refundable and couldn't be changed and that she had to do a new booking. She was often in

an area without signal, as she was visiting her daughter in hospital. When she had all the information, she passed it to UKI straight away.

- She wanted to put her claim on hold as she was busy and exhausted dealing with her ill daughter but UKI showed no compassion.

The investigator considered the new information from both UKI and Mrs B but didn't change his view. UKI asked that the matter be considered by an ombudsman, so it was passed to me.

My provisional decision

On 8 January 2021, I sent both parties my provisional decision in this case. I said that I didn't intend to uphold the complaint. I said:

"the relevant policy terms and conditions

Subject to certain terms, the policy provides cover for travel costs following unavoidable cancellation of a trip caused by serious illness of an insured person or a close relative. The policy also provides:

"General conditions

[...]

7. Fraud

You must be honest and truthful in **your** dealings with us at all times.

*If **you**, any **insured person** or anyone acting on **your** behalf attempts to deceive **us** or knowingly makes a false claim, **we** have the right to refuse claims and retain any premium paid. **We** may recover from **you** any costs **we** have incurred, including the costs of investigating the claim.*

We will not pay a claim which is in any way fraudulent, false or exaggerated. **We** will also not deal with any claims following discovery of this behaviour regardless of when the claims occurred.

*In addition, **we** have the right to cancel any other products you hold with **us** and share details of this behaviour with other organisations to prevent further fraud. **We** may also involve the relevant authorities who are empowered to bring criminal proceedings."*

has the claim been declined unfairly?

The relevant rules and industry guidance say that UKI has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably.

It's not for me to determine whether fraud has occurred here: that's a matter for the courts. But I can consider whether UKI treated Mrs B fairly in rejecting her claim.

I don't intend to uphold Mrs B's complaint because I don't think that UKI treated her unfairly. I'll explain why:

- *When Mrs B made her claim on 23 July 2019, her travel agent had cancelled the flights for Mrs B's two youngest children, applied for a refund for those flights and rescheduled the four remaining flights to a later date. I don't think that it alters the outcome that Mrs B didn't quantify her claim – she was claiming for flight costs. It was clearly relevant that she'd applied to cancel or reschedule*

the flights, but she didn't tell UKI that. I don't think that UKI was at fault in concluding that was misleading.

- I've seen a copy of the WhatsApp message sent to Mrs B on 16 July 2019, which shows that four flights were rescheduled on 15 July 2019. Mrs B says that she was aware of the re-issued tickets on 15 July 2019, but she wasn't aware of the full terms and conditions of the booking. I don't think that Mrs B needed to be aware of the full terms and conditions of the new booking: it's clear that she knew that four flights had been rescheduled. That was important information that UKI needed to know in dealing with the claim.*
- I've listened to the recording of Mrs B's phone call with UKI on 23 July 2019. I don't think it was unfair for UKI to conclude that Mrs B wasn't honest and truthful in that call. Mrs B said that when she bought the flight tickets, her travel agent said that they were non-refundable and couldn't be changed. But Mrs B knew that four of the flight tickets had been rescheduled. Mrs B also said that she hadn't spoken with her travel agent but there had clearly been some communication, as Mrs B would have given the travel agent instructions about which flights to cancel and which flights to reschedule and for which dates.*
- Some of the evidence Mrs B provided to support her claim was misleading. Mrs B sent UKI an e-mail from her travel agent which said that Mrs B and her family didn't travel on 17 July 2019. That is strictly true, but Mrs B knew that the travel agent had cancelled two of the flights and asked for a refund and rescheduled the remaining four flights.*
- I appreciate that this was a worrying and stressful time for Mrs B and that she was busy dealing with the hospitalisation of one of her daughters. I don't think that UKI acted unreasonably in asking Mrs B for certain documentation, as it's entitled to do that under the terms of the policy.*
- I don't agree that UKI didn't show compassion. In one of UKI's phone calls with Mrs B, when she said that it was difficult for her to provide the documentation it asked for in order to progress the claim, UKI offered to close the claim until she was ready and able to deal with it. In a later call, UKI offered to give Mrs B more time to provide the documentation.*
- Considering everything, I don't think that UKI was at fault in declining Mrs B's claim for the reason it gave."*

Responses to my provisional decision

Mrs B disagreed with my provisional decision and responded in some detail. In summary, Mrs B said:

- On 23 July 2019, she called UKI and told it that she had booked a flight that she couldn't use because of the illness of one of her daughters. When UKI called her back a couple of days later, it asked her about the terms and conditions of the flight, and she told it that it says on the ticket that they are non-refundable and can't be changed. She also told UKI that the person at the travel agent who booked the flights wasn't in the country. His wife was dealing with the matter. The travel agent had applied for a refund but wasn't sure if that would be successful and she told Mrs B that the airline will confirm the position in six weeks.
- She didn't quantify her claim and didn't ask for the total cost of the flights, as she wasn't sure whether she'd get a refund or not.

- She didn't intend to hide the fact that four flight tickets were reissued for a later date. The situation wasn't clear at the time, as the person she was dealing with at the travel agents said that she'd have to pay extra money for those tickets, but she hadn't paid anything by 23 July 2019. As soon as she had further information she gave it to UKI.
- UKI asked for evidence that no one travelled on the intended departure date, which is why she provided the statement from her travel agent which said that no-one travelled on 17 July 2019.
- UKI didn't show compassion and made her situation worse by putting unnecessary pressure on her at a vulnerable time. It didn't give her extra time to deal with matters.
- She has a demanding family life and was under enormous physical and mental stress at the relevant time. UKI made her situation worse by questioning her about unnecessary things at inappropriate times. For example, about a claim she hadn't made after she was the victim of a scam earlier in 2019 and about an incorrect intended destination.
- UKI rejected her claim as it said that she didn't tell it about reissued tickets on 23 July 2019. Her travel agent got all the information from the airline on 21 August 2019 and on the same day, she gave that information to UKI.
- It was only in November 2019, when UKI couldn't find any suspicious activity with regards to the earlier scam and it had been established that Mrs B hadn't lied about her destination, that it started looking for other reasons to reject the claim.
- She travels frequently and uses the same travel agent who allowed her to settle extra payments for re-issued tickets later, as she was preoccupied with her ill daughter.
- She hasn't lied or misled UKI about anything.
- UKI took advantage of her linguistic weakness and tried to use it against her.

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 don't doubt that this was a very worrying and demanding time for Mrs B. It's clear and quite understandable that Mrs B has very strong feelings about this matter. I'm unable to agree though that UKI didn't show her compassion or give her extra time. I've explained my reasons for this in my provisional decision and I'm not persuaded by Mrs B's recent submissions to depart from those findings.

I'm grateful to Mrs B for her detailed submissions, which I have read and considered with care. However, I trust that she will not take as a discourtesy the fact that I focus on what I consider the central issue, that is, whether UKI treated her unfairly in declining her claim for the reason it gave.

I appreciate that at the foot of the confirmation of flights from Mrs B's travel agent, it said that, "*Unless otherwise stated in writing your ticket will be non-refundable and non-chargeable*", but by the time Mrs B spoke with UKI, I'm satisfied that she knew that four

of the flights had been changed and that her travel agent had applied for a refund for two of the flights.

Mrs B says that she gave her travel agent open authority to cancel, change or book new tickets, even if she had to pay extra. But she would need to give specific instructions about which tickets needed to be cancelled, which tickets were to be rescheduled and for which dates.

I've listened again to Mrs B's initial call to UKI on 23 July 2019. Mrs B said that she wished to make a claim and explained what had led to the cancellation of her trip. She didn't mention that her travel agent had cancelled two flights and applied for a refund for those flights or that the four remaining flights had been rescheduled for a later date. I think that was material information that UKI needed to know. In Mrs B's phone call with UKI on 31 July 2019, she said that she had evidence from the travel agent that the flights had been cancelled; but four of the flights hadn't been cancelled, they'd been rescheduled.

I don't agree that UKI exploited any linguistic weakness Mrs B may have. I don't think that it was apparent to UKI that Mrs B was struggling to understand what it said. It was open to Mrs B to ask UKI to communicate in a different way or via a third party, if that's what she required. Based on what I've heard, I think that UKI asked Mrs B clear and fair questions.

I don't think that UKI treated Mrs B unfairly in concluding that she hadn't provided full information and had omitted relevant facts. That's because when Mrs B spoke with UKI at the outset, she didn't tell it relevant information about the cancelled flights, her application for a refund for two of the flights and the fact that four flights had been rescheduled.

I appreciate that Mrs B was dealing with a different person at the travel agent, but I don't think that has any bearing on the case. I've seen nothing to indicate that matters would have progressed differently if Mrs B had dealt with the person at the travel agent who originally booked her flights.

In one of her calls with UKI, Mrs B said that her claim was for missed flights. Mrs B said that she didn't quantify her claim, but she didn't give UKI any reason to believe that she was claiming for anything less than the cost of the six flights.

On 16 July 2019, Mrs B knew that four flights had been rescheduled. There's nothing to support Mrs B's contention that the position was unclear or that her travel agent had told her that she'd have to pay extra money for those flights.

It's common ground that UKI referred to an incorrect destination. Mrs B was accurate about the country to which she intended to travel. UKI acknowledged that it made an error and offered Mrs B compensation in relation to that, which it later withdrew. I don't think that alters the outcome here.

Both Mrs B and UKI have referred to an earlier scam in which Mrs B was a victim. I don't think that's relevant to my decision in this case. UKI hasn't produced any evidence to support its assertion that Mrs B made a claim in relation to that loss, so I don't comment on that further.

Considering everything, and for the reasons set out in my provisional decision and above, I have some difficulty in accepting Mrs B's submission that she hasn't misled UKI. It follows that I'm satisfied that Mrs B wasn't honest and truthful in her dealings with UKI in that she led UKI to believe that she was seeking a refund for tickets that had been rescheduled or for which a refund had been applied for. So, I don't think that UKI treated Mrs B unfairly in declining her claim for the reason it gave.

My final decision

For the reasons set out above and in my provisional decision, my final decision is that I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 21 April 2021.

Louise Povey
Ombudsman