

The complaint

Mr and Mrs W complain that U K Insurance Limited (UKI) hasn't settled a cancellation claim they made on their travel insurance policy.

What happened

Mr and Mrs W have travel insurance as a benefit of a packaged account with their building society.

In August 2019, Mr and Mrs W booked a holiday abroad. They were due to fly to a country which I'll call N, on 11 February 2020 with a stopover in China. However, as a result of the Covid-19 pandemic, the Foreign & Commonwealth Office (FCO) advised against all but essential travel to China on 28 January 2020. So Mr and Mrs W's travel provider suggested that they re-route their flight to N via another country, which wasn't affected by FCO restrictions at that point. The travel provider explained that tickets on this new route were limited.

Mr and Mrs W decided against re-routing their flights and cancelled the trip. Mrs W had suffered a stroke some years before, which had led to her suffering balance problems. In November 2019, she'd suffered a resultant fall and had had to undergo partial hip replacement surgery. Mr and Mrs W said that given Mrs W's accessibility needs and the need for her to have wheelchair assistance; travel with her motor scooter and arrange stopover accommodation with accessible facilities; it wasn't feasible to travel by another route. Their travel provider refunded the costs of Mr and Mrs W's flights from and to the UK. But they were left out of pocket for internal flights in N; their accommodation costs and the costs of visa documentation. So they made a claim on their travel insurance policy.

UKI considered Mr and Mrs W's claim. It said the circumstances weren't strictly covered by the policy terms. But it agreed to consider the claim on a goodwill basis, if Mr and Mrs W could provide medical evidence which confirmed that the alternative re-route the travel provider had suggested would've been unsuitable for Mrs W. It also acknowledged that there'd been delays in its handling of Mr and Mrs W's claim, so it paid them £50 compensation.

Mr and Mrs W were unhappy with UKI's decision and they asked us to look into their complaint.

Our investigator thought it was fair for UKI to ask Mr and Mrs W to provide medical evidence in support of their claim. She didn't think the cancellation section of the policy strictly covered their circumstances. But she thought it was reasonable for UKI to consider the claim as a gesture of goodwill if Mr and Mrs W's GP confirmed that the alternative trip wouldn't have been suitable for Mrs W's accessibility needs. So she didn't think UKI needed to pay the claim without this information.

Mr and Mrs W disagreed. They maintained that the policy covered cancellation due to changes to FCO guidance and natural disasters. They said that there were no alternative seats available and that owing to Mrs W's medical condition, this re-route hadn't been

practical. They felt the re-route option wasn't comparable with their booked itinerary, given there were differences in the duration of stop-overs. They felt that to have accepted the travel provider's alternative would've been reckless and stupid, without the opportunity to pre-book and research whether Mrs W's needs could be met. They also said that given the pandemic, they didn't want to bother their GP, as its website suggested patients should only contact the surgery for emergency reasons.

The complaint's been passed to me to decide.

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 think UKI has handled Mr and Mrs W's claim fairly and reasonably. I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms and conditions of Mr and Mrs W's policy and the available evidence to decide whether UKI handled the claim fairly.

The policy terms and conditions

I've first carefully considered the terms and conditions of Mr and Mrs W's policy, as this forms the basis of their contract with UKI. The cancellation section says:

'You are covered for

We will pay up to £5,000 for each insured person for their portion of the trip costs if you have to cancel your trip, including:

- Deposits.*
- Commercially operated accommodation and travel costs.*
- Car hire.*
- Excursions and activities.*
- Kennel, cattery, professional pet sitter costs.*
- Car parking charges.*
- The value of used points or miles if you booked your flight or accommodation using Avios or a similar promotional scheme.*

- FCO travel advice 'All travel': Foreign & Commonwealth Office advise against 'All travel' to your destination. The advice must have come into force after you opened your... current account, or booked your trip whichever is later;*
- FCO travel advice 'All but essential travel': in the 28 days before your trip start date the Foreign & Commonwealth Office advise against 'All but essential travel' to your destination. The advice must have come into force after you opened your... current account, or booked your trip whichever is later;*
- Natural disaster: you are unable to use your pre-booked and pre-paid accommodation due to the immediately surrounding area being badly affected by a natural disaster.'*

'Natural disaster' is defined as: *'fire, storm, lightning, landslide, avalanche, explosion, hurricane, earthquake, volcanic eruption, flood, tidal wave, medical epidemic or pandemic.'*

UKI says that the circumstances of Mr and Mrs W's claim don't fall within a strict interpretation of its policy terms and I've considered this. The FCO advised against all but essential travel to China on 28 January 2020. Mr and Mrs W were due to transit through China on their way to N. But it wasn't their destination point – N was their destination point and there was no FCO advice in place against travelling to N until 17 March 2020, when the FCO advised against all but essential travel abroad.

Even if I thought UKI should interpret this clause more widely though, I still don't think it would've covered Mr and Mrs W's circumstances. That's because Mr and Mrs W's holiday wasn't cancelled due to the change in FCO advice – I've seen an email from their travel provider dated 1 February 2020 which outlined the option to potentially re-route their flights to N through another country. While the travel provider's email does say that availability was extremely limited (and Mr and Mrs W later said that there were no seats left), it seems the provider planned to approach the airlines to arrange a re-route of Mr and Mrs W's holiday if they'd agreed. So it seems to me that despite the change in FCO advice, Mr and Mrs W's holiday plans could've potentially been amended without the need to cancel their trip and without incurring cancellation costs.

However, Mr and Mrs W opted to cancel their trip because they felt the re-route option wasn't suitable for Mrs W's needs. And while the definition of natural disaster does include medical epidemics (Covid-19 wasn't declared a pandemic until 11 March 2020), as I've outlined, I think Mr and Mrs W's holiday was cancelled because of the proposed itinerary changes rather than because of Covid-19 itself.

So on a strict interpretation of the policy terms, I think it was fair for UKI to conclude that Mr and Mrs W's claim wasn't covered.

Is it fair for UKI to require medical evidence in support of Mr and Mrs W's claim?

UKI has agreed to step away from a narrow interpretation of its policy terms and offered to consider Mr and Mrs W's claim on a goodwill basis, if Mr and Mrs W are able to provide medical evidence which confirms that the re-route alternative wouldn't have been suitable for Mrs W.

Mr and Mrs W have explained the accessibility adjustments Mrs W needs when travelling and they've explained that they'd already discounted the proposed alternative route when they first booked their trip, due to the additional challenges this route presented to them. I absolutely understand why Mr and Mrs W would've wanted to ensure that any alternative route would be able to meet Mrs W's accessibility needs and that she would be able to travel with her mobility scooter and receive any necessary assistance. I also can understand why they might've been worried that their airlines couldn't provide these adjustments at short notice.

However, I do think that before it reconsiders the claim, it's fair for UKI to be satisfied that Mrs W's GP (or medical professional) would've concluded that the proposed re-route wasn't medically suitable for Mrs W, given her accessibility needs. UKI agreed to cover Mrs W's medical conditions in March 2019 and I'm aware it paid another cancellation claim in November 2019 following her fall. But it didn't agree to cover any further resulting claims without any supporting medical evidence to show that cancellation was medically necessary.

UKI has said it will accept a completed medical certificate setting out such a confirmation from the GP, or a written statement. I think it's fair for UKI to require medical evidence which shows that Mrs W's health would've made the proposed alternative trip unsuitable for her. And I don't think it's an unreasonable request to ask Mr and Mrs W to get in touch with their GP to ask if they can provide such a certificate or letter for UKI to review. I appreciate Mr

and Mrs W don't want to bother their GP in the current circumstances, but I need to be fair and reasonable to both parties. And I don't think I could fairly direct UKI to settle Mr and Mrs W's claim in the absence of this information.

UKI acknowledged there were some delays in it responding to Mr and Mrs W during the early part of the claim. It's paid them £50 to recognise that it didn't handle the claim as promptly as it should've done. I think this was a fair award.

Overall, in these circumstances, I think it's fair for UKI to conclude that it won't reconsider Mr and Mrs W's claim without medical evidence confirming that the alternative route would've been unsuitable for Mrs W given her health. It's open to Mr and Mrs W to ask their GP for this evidence and for them to send it onto UKI to consider. If they're unhappy with the way UKI reviews any new medical evidence they provide, Mr and Mrs W may be able to bring a new complaint to us about that issue alone.

My final decision

For the reasons I've given above, 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 W and Mr W to accept or reject my decision before 5 May 2021.

Lisa Barham
Ombudsman