

The complaint

Mr B complains that Union Reiseversicherung AG (URV) declined his claim against his travel insurance policy following curtailment of his trip. Reference to URV includes its agents.

Mr B's son, who I'll refer to as Mr B1, is helping Mr B to bring his complaint.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, In October 2019, Mr B booked flights for a trip with intended departure and return dates of 5 February 2020 and 6 May 2020 respectively. In January 2020, Mr B purchased a single trip, explorer platinum travel insurance policy, master policy number RTAEX40039. The period of cover was 5 February 2020 to 6 May 2020. Mr B declared three medical conditions.

On 23 March 2020, whilst Mr B was on his trip, the Foreign Commonwealth and Development Office (FCDO, formerly the FCO) advised all UK tourists to return home. That advice remained in place for the remainder of Mr B's planned trip. On 24 March 2020, the government of the country Mr B was in announced a lockdown in response to the covid-19 pandemic.

Mr B says that he followed the FCDO advice to return home and booked the earliest return flight available. He curtailed his trip and returned home on 30 April 2020. Mr B1 says that if he hadn't arranged for Mr B to return home, URV would have received a claim as a result of Mr B's ill-health whilst on the trip.

Mr B made a claim against his policy for the unrecovered part of his unused original return flight, the cost of the repatriation flight and Mr B1's phone costs. URV declined the claim. It said that what happened here isn't covered by the policy. URV also said that Mr B had a 14 day cooling-off period in which to cancel the policy if it's not suitable. Mr B pursued his complaint.

One of our investigators looked at what had happened. He said that whilst what happened here wasn't one of the insured events under the policy, in the particular circumstances, it was fair and reasonable for URV to deal with the claim under the curtailment section of the policy.

The investigator said that was because an exclusion in the policy meant that if Mr B had remained abroad, he would have been doing so against FCDO advice and would have had no cover under the policy. He said that Mr B wasn't covered if he followed FCDO advice and curtailed his trip but also wasn't covered if he remained abroad. The investigator didn't think that the exclusion had been brought to Mr B's attention and that the combined effect of the policy wasn't clear to him. The investigator didn't think that Mr B would have bought the policy if he'd realised that there would be no cover if FCDO advice changed.

URV didn't agree with the investigator and asked that an ombudsman consider the complaint, so it was 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.

The relevant rules and industry guidelines

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the "Insurance: Conduct of Business Sourcebook" ("ICOBS").

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly.

ICOBS also says that insurers should give consumers "appropriate information" about a policy in good time and in a way that is easy to understand. This should include an Insurance Product Information Document ("IPID"), giving a consumer a summary of certain things – including excluded risks.

The IPID

At the top of the IPID it says:

"The following summary does not contain the full terms and conditions of the contract which can be found in your policy documentation. [...]"

Under the heading, **"What is insured?"** it says:

"The policy covers up to the following

[...]"

If you need to come home early £5,000"

On page 1 of the IPID, under the heading, **"Are there any restrictions on cover?"** it says:

"Unless agreed with us there will be no cover if the FCO advise against travel to your destination."

The Policy Terms and Conditions

Page 12 of the policy terms and conditions says:

"What is not covered – applicable to all sections of the policy

We will not pay for claims arising directly or indirectly from:

[...]"

14. Travelling against FCO advice

Your travel to a country, specific area or event when the Travel Advice Unit of the Foreign & Commonwealth Office (FCO) or regulatory authority in a country to/from which **you are travelling has advised against all, or all but essential travel.**

[...]"

Section B of the policy, on page 17, sets out the cover available for curtailment. Curtailment cover applies if the insured has to return home early for one of a specified number of reasons, none of which apply here.

The terms say that the policy doesn't cover anything mentioned in **"What is not covered"**, the relevant part of which I've set out above.

Has Mr B's claim been declined unfairly?

I think it's fair and reasonable for URV to treat Mr B's claim as covered under the curtailment section of the policy because:

- Mr B curtailed his trip because the FCDO advised all UK tourists to return home. Cutting a trip short due to government advice isn't one of the listed, insured events for which curtailment cover is provided. However, taking into account the relevant law and industry guidelines, I don't think that leads to a fair and reasonable outcome in the circumstances of this case for the reasons I'll explain.
- The exclusion that I've set out above means that if Mr B had remained abroad after 23 March 2020, he would have done so against FCDO advice. So, the evidence I've been provided with suggests it is most likely that he wouldn't have been covered by the policy terms and conditions. But, under the terms and conditions of the policy, changes in FCDO guidance also aren't covered by the policy. I don't think that was made sufficiently clear to Mr B.
- Mr B would have needed to read the full policy terms and conditions in order to understand that this set of circumstances wasn't covered. And I don't think that this information was brought to his attention in a prominent and transparent way. So, I don't think that the combined effect of the policy terms was made sufficiently clear.
- I think this has created a significant imbalance in the rights and interests of Mr B and URV. I think it's unlikely that Mr B would have purchased the policy if he had realised that there was no cover under the policy if the FCDO guidance changed whilst he was abroad.

For these reasons, I uphold Mr B's complaint.

Putting things right

I'm directing URV to treat the claim as covered under the curtailment section of the policy. URV should therefore assess the claim under the remaining terms and conditions of the policy.

My final decision

I'm upholding Mr B's complaint against Union Reiseversicherung AG and direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 March 2022.

Louise Povey
Ombudsman