

The complaint

Mr and Mrs F are unhappy with Union Reiseversicherung AG's (URV) decision to decline their travel insurance claim.

What happened

Mr and Mrs F had travel insurance with URV. They'd booked to go on holiday from 10 February 2020 – 14 May 2020. During their trip, they'd planned to travel around several countries. They were in New Zealand on 13 March and were planning to take a cruise when the COVID-19 restrictions came into effect. The cruise was cancelled, and they were left in New Zealand. Mr and Mrs F decided to return to the UK given the advice received from the Foreign Commonwealth Office (FCO). They managed to secure a flight, at an additional cost, and returned home on 23 March. They claimed on their policy for the additional flight costs and the unused part of their trip. But this was declined by URV.

URV said the policy Mr and Mrs F had didn't provide cover in the circumstances.

Our investigator thought this was unfair. She said that URV should cover the claim because the policy was unclear about whether cover would be provided. She explained that the curtailment section of the policy should cover Mr and Mrs F's claim despite excluding claims arising from FCO advice. The investigator explained that Mr and Mrs F would have been left in a difficult position had they ignored FCO advice, because the policy wouldn't cover them had they stayed in New Zealand either. She said that the policy didn't make this clear and so felt that Mr and Mrs F's claim should be covered on a fair and reasonable basis.

URV disagreed and said that the policy isn't intended to cover curtailment due to FCO advice and so it maintained its position.

Mr and Mrs F received a voucher from the tour operator for the unused portion of their trip – which they've accepted as a fair resolution. And so, this complaint is now focussed on the additional flight costs. It's for me to make a final decision.

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 decided to uphold it because I broadly agree with our investigator's opinion that URV should cover this claim. I'll explain why.

URV's argument here is that there's no cover in place for FCO exclusions. In other words, the policy doesn't cover curtailment claims that are caused by the FCO advising against all but essential travel. It's highlighted the relevant clause in its terms and other documentation;

"what is not covered" section: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."

And;

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

But this claim wasn't borne from that. Mr and Mrs F were in New Zealand and awaiting their cruise when they received the news that it was cancelled. This was on 13 March 2020 and before any FCO advice was given. New Zealand didn't announce any restrictions on travel until 19 March – which was after Mr and Mrs F's trip was curtailed. And the UK didn't place any restrictions to New Zealand until 29 March – which was again after they decided to arrange a flight home.

The reason the cruise was cancelled was because the destination they intended to travel closed its borders to new visitors, owing to the COVID-19 pandemic. I've checked this and I'm satisfied that was the case. Mr and Mrs F's trip was then effectively curtailed because they were unable to continue in the circumstances.

The most relevant term in the policy explains that cover will be provided for curtailment claims for irrecoverable costs of unused transport and accommodation where there is;

- "1) death, illness, bodily injury as a direct result of pregnancy,*
- 2) Quarantine*
- 3) If you are employed in certain listed jobs and you get called upon to return*
- 4) The authorities or police require you to cut short your trip for the listed reasons"*

It's for these reasons I think it fair that URV should have paid the claim because their trip was curtailed because the borders of their intended destination were closed. It wasn't because of the FCO advice as they had to cancel before that came out. The country they intended to travel to decided not to accept travellers and so the cruise was cancelled on that basis.

The policy doesn't list this type of event as an exclusion and so I've thought about whether it's fair that URV rely on its reasoning for declining this claim. I'm not persuaded it was. I say that because I think it a reasonable expectation of Mr and Mrs F that URV's policy would have provided cover in these circumstances, particularly as the policy is silent on that point. Therefore, I think it fair and reasonable to pay their claim for the reasons I've explained.

Mr and Mrs F received a voucher for the unused part of their holiday and they've since accepted this. And so, URV doesn't need to consider that part of it. But it should pay the additional costs associated with the return flight as this was necessary for them to get home given what I've just explained.

Mr and Mrs F were able to get a return flight on 23 March 2020 which was significantly curtailing the trip as they were due back home until 14 May. The additional costs of those flights were £1001 and so URV should now pay this.

My final decision

I'm upholding this complaint and Union Reiseversicherung AG must now pay the costs

associated with getting Mr and Mrs F home to the UK as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 1 April 2022.

Scott Slade
Ombudsman