

## **The complaint**

Mr P is unhappy that Union Reiseversicherung AG declined a claim he made on his travel insurance policy.

## **What happened**

Mr P took out a single trip insurance travel insurance policy to cover him for a trip between January and June 2020. On 11 March 2020 the World Health Organisation (WHO) declared Covid-19 to be a pandemic. On 17 March 2020 the Foreign Commonwealth and Development Office (FCDO) advised against all but essential travel and on 23 March 2020 they advised all British citizens abroad to return home.

Mr P was due to travel from a country I'll call A to a country I'll call N on 3 April 2020 before returning home via another country in June 2020. Both flights were cancelled as a result of the impact of Covid-19 on international travel. Mr P booked a flight from A to the UK on 4 April 2020. He was able to claim a refund for some of his unused costs but wants URV to pay the additional costs he incurred to get home. URV said this wasn't covered by the policy. Mr P made a complaint but URV maintained their decision to decline the claim.

Our investigator looked into what had happened and upheld Mr P's complaint. He said that, based on the policy terms and conditions, Mr P wouldn't have been covered if he cut his trip short but also not covered if he stayed abroad. He didn't think this had been made sufficiently clear in the policy documents, so he upheld the complaint.

URV didn't agree and asked an ombudsman to review the complaint. They said that the exclusions were clearly and transparently set out in the policy terms and conditions. And, they said it was up to Mr P to ensure he had the right level of cover for his needs. So, I need to make a 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.

I'm satisfied that our investigator identified, and set out, the relevant industry rules and guidance which apply to the specific circumstances of this case. The investigator also highlighted, and referred to, the key documents which are relevant to this complaint.

### The policy documentation

The Insurance Product Information Document ('IPID') summarises the cover available. On page one 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 say, on page 17:

'Section B1 - Curtailment charges  
(if you have to come home early)

What is covered

We will pay you up to the amount shown in the Schedule of benefits for your proportion only of any irrecoverable unused travel and accommodation costs and other pre-paid charges (including excursions up to £250) which you have paid or are contracted to pay, together with your proportion only of any reasonable additional travel expenses incurred if the trip is curtailed (you having to return home early) before completion as a result of any of the following events:

1. The death, bodily injury, illness, disease, or complications arising as a direct result of pregnancy of:

- a) You
- b) any person who you are travelling or have arranged to travel with
- c) any person who you have arranged to stay with
- d) your close relative
- e) your close business associate.

2. You or any person who you are travelling or have arranged to travel with being quarantined, called as a witness at a Court of Law or for jury service attendance.

3. You or any person who you are travelling or have arranged to travel with, are a member of the Armed Forces, Territorial Army, Police, Fire, Nursing or Ambulance Services or employees of a Government Department and have your/their authorised leave cancelled or are called up for operational reasons, provided that the curtailment could not reasonably have been expected at the time when you purchased this insurance or at the time of booking any trip.

4. The Police or other authorities requesting you to stay at or return to your home due to serious damage to your home caused by fire, aircraft, explosion, storm, flood, subsidence, fallen trees, collision by road vehicles, malicious people or theft.'

In the general exclusions section of the policy, on page 12, it says there is no cover for:

Your travel to a country, specific area or event when the Travel Advice Unit of the FCO or regulatory authority in a country travelling has advised against all, or all but essential travel.

Was it unreasonable for URV to decline the claim?

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

- Mr P curtailed his trip because the FCDO advised against all but essential travel to the destination he was already visiting. That's not something that is covered under the terms and conditions of the policy as it's not a specific or listed insured event. 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 go on to explain

- The exclusions I've outlined above mean that if Mr P had remained abroad he'd have not followed FCDO advice. So, 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 P
- Mr P 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 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 P and URV. I think it's unlikely that Mr P would have purchased the policy if he had realised that there was no cover under the policy if the FCDO guidance changed after he'd bought the policy. I think it's more likely that he'd have taken out a policy which would have covered him for changes in FCDO advice, which were widely available at the time he took out this policy.

### **Putting things right**

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

### **My final decision**

I'm upholding Mr P'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 P to accept or reject my decision before 12 May 2022.

Anna Wilshaw  
**Ombudsman**