

The complaint

Mr and Mrs D complain because they were unable to contact TICORP Limited in response to an offer to add travel disruption extension ('TDE') cover to their travel insurance policy.

Staysure is a trading name of TICORP Limited and I've referred to TICORP Limited as Staysure throughout this final decision.

What happened

Mr and Mrs D purchased an annual multi-trip travel insurance policy from Staysure on 26 February 2020. They paid an additional premium to purchase gadget cover at the same time.

On the afternoon of 12 March 2020, Mr and Mrs D received an email from Staysure. The email said:

'As an existing customer without Travel Disruption Extension cover, you can add this to your current policy by registering and/or logging into your My Staysure Account and adding the appropriate cover option to your policy...

As you may understand, we're currently experiencing an unprecedented demand...so the best way to...add options to your existing policy is online'.

On 13 March 2020, at 9.38am, Mrs D emailed Staysure to say she'd tried to call to check the cover and add the TDE cover but had been unable to get through. She also said that she'd tried to add the TDE online. However, she hadn't been able to connect to the website. She asked Staysure to contact her regarding adding the TDE as she was unable to do it and said that she'd keep trying.

Staysure emailed Mr and Mrs D on 17 March 2020. It said that its call centres and website had experienced unprecedented demand due to Covid-19. And it said the underwriter of TDE had decided to remove the cover as an optional extra from 11.59pm on 13 March 2020, so it wouldn't be able to offer the product to Mr and Mrs D any longer.

Mrs D had been due to travel abroad on 15 March 2020. But her trip had been cancelled due to the closure of ski resorts by the government of the country she was travelling to. She received a refund for her flights from her airline. But the accommodation provider only offered a partial refund of Mrs D's costs.

As Mrs D hadn't added TDE to the policy, Staysure said she wouldn't have a valid claim because the circumstances weren't covered as a cancellation reason under the terms and conditions of the contract she and Mr D held. So Mrs D complained to Staysure, saying she'd tried to purchase the TDE cover offered to her on 12 March 2020. Her email had been a statement of intent to add the TDE and she'd thought it would be added to her policy, as she'd requested it prior to the underwriter's cut-off time.

Staysure reiterated that the underwriter of TDE cover had withdrawn the product on 13 March 2020 and said Mr and Mrs D had had the option of adding TDE when they bought the policy in February 2020. However, they'd chosen not to do so. Staysure did offer Mr and Mrs D a voucher worth £25 which could be redeemed against a future policy purchase.

As Mrs D remained unhappy with Staysure's position, she and Mr D asked us to look into their complaint.

Our investigator thought Mr and Mrs D's complaint should be partly upheld. She acknowledged that Mr and Mrs D hadn't chosen to add TDE when they took out the policy. However, she felt Mrs D had made attempts to purchase the cover ahead of time, but due to Staysure's phone delays and website issues, she hadn't been able to do so. So she thought Mrs D had experienced some inconvenience as a result. And she felt any claim Mrs D had made was likely to have been covered had she taken out the TDE. So she recommended that Staysure should pay Mr and Mrs D £100 compensation to recognise the frustration its actions had had on them.

Staysure accepted the investigator's recommendation and agreed to pay Mr and Mrs D compensation of £100 on top of its existing voucher offer.

Mr and Mrs D disagreed with the investigator. They felt the investigator should've been able to tell Staysure to pay the value of any claim Mrs D would've made. And while they acknowledged Staysure didn't have to accept the risk, it had offered them the TDE, which Mrs D had asked to be added to the policy. So they didn't think Staysure had treated them fairly.

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, whilst I'm sorry to disappoint Mr and Mrs D, I think Staysure's offer to pay them £100 compensation, in addition to the £25 voucher it's already offered is fair and reasonable and I'll explain why.

Relevant regulatory rules (the Financial Conduct Authority's ('FCA') 'Principles for Business') say:

- a firm should pay due regard to the interests of its customers and treat them fairly.

FCA guidance ('The Responsibilities of Providers and Distributors for the Fair Treatment of Customers') says firms should consider the impact of their actions – or inactions – on the customer throughout the lifecycle of the service being provided.

In deciding what I think is fair and reasonable in the circumstances of Mr and Mrs D's complaint, I've had regard to rules and guidance such as these. In line with our remit, we've asked for information from other businesses which is relevant to Mr and Mrs D's complaint. We've seen evidence that the underwriter of the TDE cover instructed sales of the product to stop on 11 March 2020, for implementation on 12 March 2020. However, Staysure subsequently sent an email to its customers, including Mr and Mrs D, on 12 March 2020 offering them the opportunity to purchase TDE. It was later agreed between the underwriter and Staysure that TDE could be sold to certain customers whose policies were 'stuck' in the online portal in the process of making their purchase until midnight on 15 March 2020. I don't

think this would have applied to Mr and Mrs D. But, based on what I know, the underwriter issued instructions stopping the sale of TDE cover going forward before Staysure sent the initial email to Mr and Mrs D on the afternoon of 12 March 2020. So Mr and Mrs D would never have been able to buy the TDE when Staysure offered it to them.

As a result of Staysure's email invitation, on 13 March 2020, Mrs D tried to get in touch with Staysure to try and add the cover. While she can't provide itemised evidence of the calls she made, or attempted efforts to add the cover online, Mrs D has referenced trying to add the TDE in her email to Staysure at 9.38am on the morning of 13 March 2020. So I think it's most likely Mrs D did try and add the cover both by phone and online before emailing Staysure. And she asked Staysure to contact her regarding adding the TDE, so I'm satisfied Mrs D wanted the cover and was inconvenienced by attempting to add it when it was no longer available to her to purchase.

I've considered what Staysure has said about TDE cover being available for Mr and Mrs D to purchase when Mrs D bought the policy in February 2020, as well as its comments about other insurers withdrawing similar cover at an earlier point. I understand Mr and Mrs D had the option to purchase TDE cover when they bought the policy but chose not to do so.

However, Mr and Mrs D were also entitled to attempt to take Staysure up on its offer in March 2020, having received an invitation from Staysure to add the TDE to the policy. It seems Staysure's email of 12 March 2020 prompted Mr and Mrs D to try to buy TDE cover. And I think they were entitled to respond to Staysure's email with an attempt to purchase what was apparently being offered to them.

But Staysure had no obligation to provide Mr and Mrs D with any particular type of travel insurance cover, and it was down to Mr and Mrs D to ensure they had a travel insurance policy which met their needs. Given Mr and Mrs D had already paid an additional premium for one optional cover, I also think they'd have been aware that they'd need to pay for the TDE and hadn't done so. So I don't think it would be fair or reasonable to ask Staysure to cover Mrs D's unused holiday costs in these circumstances.

However, I think compensation is due to Mr and Mrs D because of the impact of Staysure's actions – or inactions - on them. Staysure invited customers to add TDE as an additional policy option at a time when the impact of the Covid-19 pandemic was starting to be felt when it wasn't in a position to offer this product. I'm satisfied this caused Mrs D frustration and inconvenience. Staysure then went on to mishandle Mrs D's enquiries. So I think it would be fair and reasonable in the circumstances for Staysure to pay Mrs D compensation in recognition of what happened.

Staysure has agreed to pay Mr and Mrs D £100 compensation in recognition of its errors, in addition to the credit voucher it's already offered. In the round, and on the specific facts of this case, I think this is fair compensation to recognise the frustration its service failures caused Mr and Mrs D. So this is what I'm directing Staysure to pay

My final decision

For the reasons I've given above, my final decision is that Staysure's offer of compensation is fair and reasonable.

I direct TICORP Limited to pay Mr and Mrs D £100 compensation, in addition to the £25 credit voucher it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 22 June 2022.

Lisa Barham
Ombudsman