

The complaint

Ms E is unhappy that U K Insurance Limited (UKI) has declined to consider her claim without further evidence from her to substantiate it. She's also unhappy with the service she received from UKI.

Any reference to UKI includes all its agents.

What happened

Ms E has a travel insurance policy alongside her current account. This is an annual policy which is underwritten by UKI.

Ms E booked a trip in August 2019 and her intended travel dates were from 12 March 2020 to 29 March 2020. Flights and accommodation were booked separately. She travelled to her destination on 12 March 2020.

On 17 March 2020, the UK's Foreign, Commonwealth & Development Office ('FCDO' – formerly the Foreign & Commonwealth Office ('FCO')) advised against all but essential international travel due to the Covid-19 pandemic.

On 21 March 2020, the government of the country where Ms E has travelled to had announced that all international flights were to be suspended with effect from 23 March 2020.

Ms E was due to return on 29 March 2020 (her booking was scheduled for 28 March 2020 and was an overnight flight due to arrive in the UK on 29 March 2020) but due to the travel restrictions that were in place, the return flight was cancelled. She says she found it difficult to book a return flight and to also return to the UK due to the restrictions that were in place in the country she'd travelled to.

Ms E submitted an online travel insurance claim to UKI in May 2020. She didn't hear back from UKI, so she called its helpline on 8 June 2020. It advised that Ms E could make a claim under the '*travel delay*' section of her policy. It also advised Ms E to provide proof of the costs she'd incurred for her accommodation and proof of the communication she'd had with the FCDO.

Between 9 June 2020 and 13 June 2020, UKI tried contacting Ms E by email and phone. It advised her of the next available dates for the flights to return home and also to call the helpline. It asked her to provide proof to substantiate her claim. Ms E remained in the country she had travelled to. She stayed in the same hotel throughout and left the hotel on 18 September 2020. She returned to the UK on 19 September 2020.

Upon her return Ms E contacted UKI and provided information in regard to her claim. UKI said it needed further information which was outstanding, and this was necessary in order to assess the claim.

Unhappy with UKI, Ms E made a complaint because of the poor service she says she

received. She said she had problems reaching anyone on the phone from March to May 2020 and had to therefore make an online claim. She managed to speak to UKI in June 2020, but she said the agent was unhelpful in getting her to return to the UK and she kept being asked for information that she'd already submitted, which caused further confusion. UKI responded and said it hadn't made any errors in the claims process. Its helpline tried to contact Ms E many times by phone and by email. And, it couldn't progress the claim as it hadn't received all the supporting documents it required under the cancellation or curtailment section of the policy.

Ms E was unhappy with UKI's response and brought the complaint to this service. Our investigator looked into the complaint. He upheld it partially as he thought UKI was entitled to request information in relation to a claim and that was in line with the terms and conditions of Ms E's policy. He said UKI confirmed it was willing to consider the claim under the '*missed, delayed or abandoned departure*' section of her policy even though her extended stay isn't an insured event under her policy.

Our investigator thought this was fair and was subject to Ms E providing the relevant supporting information UKI had requested. In regard to how the claim has been handled, our investigator recommended UKI offer Ms E £50 for the distress and inconvenience caused in sending inaccurate emails and requesting duplicate information.

Ms E disagreed with the investigator and asked for the complaint to be referred to an ombudsman. So, it was passed to me.

I could see Ms E provided comprehensive responses to our investigator's findings. I confirmed that by not repeating each and every point here, I'm not in any way demeaning those responses. For clarity, I summarised her points as follows:

- UKI and our investigator used incorrect policy terms and conditions to assess the claim. This has caused confusion and delays. The correct policy terms and conditions are the 'January 2019' document as she booked her trip in August 2019 and therefore this one would apply in her claim. The 'November 2019' policy document used is incorrect.
- Based on the January 2019 policy terms and conditions, the sections that apply in her case are '*Catastrophe, Curtailment and Abandonment*'.
- By October 2020, Ms E had sent UKI all documents evidencing the costs she'd incurred but she's continuously been asked by UKI to provide information even when the relevant information has been sent.
- She doesn't accept £50 as a compensation payment for all the distress, inconvenience and delays caused by UKI. She doesn't think this is fair or reflective of what's happened in the handling of this claim.
- She didn't choose to continue her trip but was unable to return to the UK on the flight she had pre-booked. Therefore, as she wasn't able to return to the UK, she had no option but to incur the additional accommodation expenses. The earliest she could return to the UK was September 2020 as that's when the government of that country released the travel restrictions that were in place until then.

I issued my provisional decision on 28 January 2022 to both parties.

I said the following:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

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 and shouldn't unreasonably reject a claim.

Additionally, I appreciate Ms E feels strongly about how the claim has been assessed. I can also see she's taken the time to provide comprehensive information to us. So, I'd like to reassure her that while I won't be responding to each and every point, I have read all her submissions.

I've started by looking at the terms and conditions of Ms E's policy and whether there was an insured event and therefore whether a claim could be made under the policy.

I understand there was some contention about which policy document has been used for this claim by UKI and our investigator. For the purposes of this provisional decision, I will refer to the January 2019 document in this decision as this is the document that both UKI and Ms E have referred to and agree is the one that applies because the trip was booked in August 2019.

Should the claim be considered under the terms and conditions of the policy?

I have considered Ms E's comments that she believes the claim should be considered under Section B: Travel delay and abandonment, Section E: 1. Curtailment (cutting a journey short) and Section E: 2. Catastrophe cover.

I've also considered UKI's response that it believes the claim can only be considered under Section B: Travel delay and Abandonment, 1. Delay, even though the situation Ms E found herself in has no cover under her policy. UKI says this is because the trip was extended and therefore isn't an insured event. But even so, it says the facts haven't been communicated to Ms E previously and the claim has been ongoing for some time. So UKI says it's willing to consider the claim under the 'Delay' section subject to the policy limit of £1,000 and subject to the full accommodation invoice being provided to it.

I'll start by looking at page 24 of the policy document, Section B – Travel Delay and abandonment. This says:

"What you are covered for

1. Delay

We will pay you up to £1,000 per insured person after the first four hours' delay of the pre-booked flight, sailing, train or coach journey for additional expenses such as accommodation, travel, meals and refreshments which arise because the transport you have checked-in for is delayed – it doesn't cover the cost of telephone calls.

2. Abandonment

We will pay you up to £5,000 per insured person, if you decide to

i. abandon the journey and return to your home address, where we will pay for journey deposits and costs, or

ii. travel to your pre-booked destination by alternative means, where we will pay additional expenses such as accommodation, travel (to a similar standard as you had already booked and paid for), meals and refreshments because your pre-booked

flight, sailing, train or coach **journey** from the **UK** is delayed for at least:

- six hours, on **journeys** of four nights or less, or
- twelve hours, on **journeys** of five nights or more

or **you** are prevented from starting **your journey** or returning to the **UK** because airspace has been closed on the orders of an official Government or regulatory body for more than 24 hours following your scheduled departure.”

With regard to the ‘Delay’ section, I’m not persuaded the trip was delayed. Ms E hadn’t checked-in at the airport and the flight wasn’t delayed, and as we know, it was cancelled.

And, with regard to the ‘Abandonment’ section, the trip wasn’t abandoned. Whilst I accept that airspace in the country Ms E had been closed, there were still alternatives available for Ms E to have been able to return home between March 2020 and September 2020. Ms E hasn’t shown that she took the opportunity to return to the UK at the earliest chance available (for example, the special flights arranged by the UK government to repatriate UK citizens back to the UK). So, I’m not persuaded that this section applies either.

I now turn to Section E: 1. Curtailment (cutting a journey short). Having considered this, Ms E didn’t cut her trip short and return to the UK. The trip was extended and therefore this section doesn’t apply in the situation of what actually happened in the circumstances here. Ms E says Section E: 2. Catastrophe cover also applies in her situation. This says:

“2. Catastrophe cover

If, during **your journey**, **you** can no longer stay at **your** pre-booked and prepaid accommodation or are unable to return to the **UK** by **your** pre-booked and pre-paid method of travel because of:

- fire;
- storm;
- lightning;
- landslide;
- avalanche;
- explosion;
- hurricane;
- earthquake;
- volcanic eruption;
- flood;
- tidal wave or tsunami;
- medical epidemic or pandemic;
- civil unrest;
- outbreak of food poisoning within **your** accommodation.

We will pay **you** up to £5,000 per **insured person** for the necessary extra travel and accommodation expenses to allow **you** to continue with **your journey** to a similar standard as **you** had pre-booked, or if **you** choose to return to the **UK**, **we** will pay **you** up to £5,000 per **insured person** for **your** unused travel and accommodation expenses, including additional transport costs of up to £500 per **insured person** if **you** were within Europe or £1,000 per **insured person** if **you** were outside Europe, to return to **your home address** earlier than originally planned.”

I appreciate that Ms E says she didn’t return to the UK because of the Covid-19 pandemic so she would benefit from this section of the policy.

This section says there is provision of cover in the case of a catastrophe when either the policyholder can no longer continue staying at the pre-booked accommodation or return

home on the pre-booked method of travel. And it applies if this happened during a journey. A journey is one that begins and ends at your home address as defined in the policy document. And, additionally, cover is provided to allow the policyholder to continue their journey in alternative accommodation or return home earlier than originally planned within the context of the trip that was originally planned. Ms E's trip extended for an additional six months before she returned to the UK and there's information to suggest she could have returned earlier but hasn't provided reasons why she didn't except that she couldn't return because the restrictions weren't lifted in that country until September 2020. The information that's been presented about flights being available in between March 2020 and September 2020 confirms otherwise.

I agree that Covid-19 pandemic would be covered under the policy. But Miss E extended her trip and so extended her stay at the same hotel. She didn't return home earlier than originally planned – she completed her stay at the pre-booked accommodation and then extended it. Her original dates of travel were from 12 March 2020 to 29 March 2020. I therefore don't think this section applies in Ms E's circumstances. She incurred costs because the trip was extended beyond 29 March 2020 and there is no cover for this event that she found herself in. Ms E is claiming for costs not to continue her journey but to extend it and I'm not persuaded this section applies.

This is because Ms E hasn't shown she made attempts to return to the UK before September 2020. This cover is afforded in situations where an insured person isn't able to return to the UK by the pre-booked method of travel. In Ms E's case that would be the return flight that was scheduled on 28 March 2020. While Ms E's flight was cancelled and she therefore wasn't able to return to the UK on that date, she would have been expected to either show that she had no option but to return no earlier than September 2020 or that, in the meantime, she'd made every attempt to return but had failed on every occasion. As I've mentioned above, there were special flights arranged by the UK government to assist UK citizens to return home. I haven't seen any evidence from Ms E that shows she did any of the above to return to the UK. The only evidence I've seen are the invoices she's provided for the accommodation she stayed in from March 2020 to September 2020. In the absence of such evidence, I can't safely say that this section applies as even though there were alternative options for return available, Ms E hasn't shown she made attempts to take those options. I'm not persuaded therefore that UKI should be responsible to pay under this section of the policy.

All in all, I'm minded in thinking that Ms E has no cover under her policy for the situation she found herself in. But I can see that because of the handling of the claim, UKI has said it's willing to consider the claim under the 'Delay' only section of the policy. I'm satisfied this is fair and reasonable in the circumstances of this complaint. UKI require a full copy of the accommodation invoice Ms E received from the hotel in order to consider the claim under this section.

UKI's handling of the claim

Firstly, I can see that this claim has been ongoing for a long time. UKI has accepted this isn't the service it should provide and is therefore willing to consider the claim under the 'Delay' section of the policy even though the event isn't covered. I'm minded in agreeing that this is fair in the circumstances.

I've also considered that delays have been caused on this complaint. I don't think either party has been particularly helpful in getting this complaint resolved proactively. I note that UKI has accepted there have been delays in handling the claim – mainly in respect of requesting documents even when Ms E had already sent them to UKI. Also, Ms E said she had felt the information that UKI was requesting was at times upsetting and unnecessary.

UKI apologised for this but said that the information was required in order to assess the claim properly.

When Ms E logged her online claim in May 2020, I can see UKI has tried to contact her several times by phone but from Ms E's perspective, she wasn't always able to communicate in this way because of the distance and time differences of the country she was in. UKI also sent her emails and I don't agree that Ms E hadn't responded to all of them. She attempted to send in the information she could.

During her call with the UKI advisor on 8 June 2020, Ms E said she didn't return when the FCDO advised travellers to return to the UK as her flight home was booked on business class and she was waiting to hear from her flight provider. She had no firm confirmation about what the flight provider's intentions were for her return flight scheduled for 28 March 2020. She says she didn't receive that confirmation from her flight provider until after she returned to the UK in September 2020. And on 29 March 2020, Ms E looked for an alternative flight but by this time there were no alternative commercial flights available.

While I appreciate Ms E was waiting to hear from her flight provider as she'd booked business class, there's no evidence or information that she attempted to return to the UK. I note she had been in touch with the FCDO website and signed up for email notifications on 23 March 2020. But there's no evidence to suggest she made further attempts to contact the FCDO or find an alternative to return to the UK. On 23 March 2020, the UK's FCDO had advised all international travellers to return to the UK so at the very least I would have expected her to start seeking alternative options for returning home.

There's no further information from Ms E to show any attempts she might have made to return to the UK when the advice came into place from the FCDO. I would have expected to see Ms E to show that she's made every attempt to return to the UK between 23 March 2020 and her due date of 28 March 2020. And the government of the country she was in had also announced on 21 March 2020 that they would be closing their airports for international flights from 23 March 2020.

I've also not seen evidence from Ms E to show that she tried to return to the UK between March 2020 to September 2020. She submitted a claim online on 1 May 2020. But in her correspondence thereafter there's no mention of why she hadn't tried to use the service provided by the UK government to return UK citizens on the special flights scheduled by the government from 29 May 2020 to 8 June 2020 and any further such service. Ms E hasn't told us why she didn't manage to get onto one of these flights back. Having been in contact with the FCDO, she should have then received information from them that flights had been arranged for returning to the UK by the government.

In terms of how the claim has been handled, I agree with the investigator that £50 compensation is fair and reasonable for the service provided to Ms E. I agree UKI could have handled the claim better, but I can see it's apologised. Equally, I also think that both parties could have been more proactive in resolving the issues.

Provisional conclusion

Overall, there is absence of information from Ms E about what attempts she made to return to the UK between March 2020 to September 2020. It's not clear from the information she's provided why she continued to remain in the country when there were provisions made by the UK government to repatriate UK citizens. So, ultimately, as it stands, she has no cover for the situation she found herself in as none of the sections under her policy unfortunately allow for cover in her situation.

However, given that UKI is willing to assess the claim under the 'Delay' section of the policy, I'm minded to think that's fair and reasonable subject to the policy limits and subject to providing the information that's required for this. And, I think £50 is fair compensation for the service provided by UKI in handling the claim.

Ms E responded to my provisional decision. There are points in her response which I have already considered and so I don't propose to repeat those again. Those which I think require further clarification or reiteration, I will cover in the section below.

UKI responded only by asking for evidence of the invoices from Ms E. Our investigator forwarded these to UKI.

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 mentioned above there are points which already formed part of Ms E's submissions and I confirm that I considered these when I issued my provisional decision. So I don't propose to repeat my findings on what I've already said.

Ms E refers to FCA guidance of 2020. She's submitted her comments on this guidance prior to my provisional decisions. I confirm I have already taken this guidance into account along with any other relevant industry guidance.

Ms E also refers to guidance from the FCDO (formerly FCO) and how I've interpreted and understood this:

"On 21 March 2020, the government of the country where Ms E has travelled to had announced that all international flights were to be suspended with effect from 23 March 2020."

Ms E says the country she stayed in banned all international flights from 23 March 2020 to 4 September 2020. I appreciate that and while I have already covered this in my provisional decision, for the sake of completeness, I'd like to reiterate the point I made. There's information in the file that there were flights arranged by the UK government to repatriate UK citizens to return home before 18 September 2020. I've not seen any evidence from Ms E that she attempted to return home until 18 September 2020. I understand the airline cancelled her flight home because of airport closure and because there was a pandemic. But the flight wasn't delayed, it was cancelled altogether. So while there might have been a ban in travel, there was still an opportunity for Ms E to use the service offered by the UK government and as she hasn't shown to have done this, I can't reasonably ask UKI to cover a claim for a trip that was extended. And, I can't reasonably say that UKI should be made responsible for the stay that was extended by Ms E.

In regard to the cancellation section of the policy, Ms E has asked why this has not been considered. I confirm this was because she wasn't able to provide evidence that she tried to return home before 18 September 2020. Her stay was extended. No further evidence was provided to me in her response to my provisional decision, therefore I agree with UKI that the claim can't be considered under the cancellation section of her policy.

I refer to Ms E's comments regarding the sections of the policy which I have provided my provisional findings on. Ms E hasn't raised anything new that I haven't already considered, and I therefore don't propose to comment on these further.

Ms E has also said UKI has at no point declined her claim. I understand and I'd like to clarify. UKI has declined to the point that unless Ms E can provide the supporting evidence it's asked for, it cannot agree to pay the claim.

Overall, I'm not persuaded that the circumstances Ms E has found herself in provide cover under her travel policy. However, given that UKI is willing to assess the claim under the 'Delay' section of the policy, I'm satisfied that's fair and reasonable subject to the policy limits and subject to Ms E providing the information that's required for this. And, I think £50 is fair compensation for the service provided by UKI in handling the claim.

Putting things right

UKI should now do the following:

- UKI should now assess and pay the claim under the 'Delay' section of Ms E's policy subject to the policy limits and subject to the evidence being provided by Ms E, if UKI doesn't already have it.
- It should apply 8% simple interest to amount paid from the date of the claim to the date the payment is made.
- It should make a compensation payment of £50 to Ms E.

My final decision

For the reasons given above, I partially uphold Ms E's complaint against U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 23 March 2022.

Nimisha Radia
Ombudsman