

## **The complaint**

Mr and Mrs S complain about the way UK Insurance Limited ("UKI") are handling their claim under their travel insurance policy.

## **What happened**

Mr and Mrs S have a multi-trip travel insurance policy through their bank account. This policy is provided by UKI.

In 2019, they booked a skiing trip to Europe, departing on 13 March 2020. They arranged hotels and ferry crossings for their trip, and also booked places at a cattery for their two pets. As a result of the Covid-19 outbreak, the relevant local government announced a range of restrictions on travel and events. And they also closed the ski resorts. Mr and Mrs S's hotel bookings were subsequently cancelled the day before they were due to travel and full refunds were provided.

Mr and Mrs S made a claim to UKI for the remainder of their cancelled trip. They claimed for the cost of the unused ferry travel, along with 50% of the cattery fee. And they also requested a 50% refund for the snow cards (commonly known as ski passes) they had purchased for the full ski season on an earlier trip, with the intention of using them again during this holiday.

UKI said it couldn't pay the claim as it needed more information. It said it wanted proof that no refund could be obtained for the ferry costs and the ski passes. UKI also requested evidence that the cost incurred for the cattery was a cancellation charge.

Mr and Mrs S were unhappy with the way the claim was being handled. They said they had provided information from the ferry company website showing that no refunds would be given if the booking was cancelled less than 24 hours before the sailing – so they felt this was enough. Mr and Mrs S also provided the ski pass company terms and conditions showing these were non-refundable, along with additional information that came from its website. And in relation to the cattery, Mr and Mrs S said the charges were usually non-refundable but, as a result of them being regular clients, the cattery had agreed to only charge half of the cost. They supplied the original invoice, along with an updated one showing the 50% charge which they felt was enough evidence to support their claim. So, they complained to UKI.

UKI accepted it could have handled the claim better and recognised it had duplicated some of its requests for information. It offered £100 to Mr and Mrs S as compensation for the errors. But it stated that the policy didn't provide cover for recoverable losses and so this is why it couldn't cover the claim based on the information it had available to it. Mr and Mrs S subsequently brought their complaint to our service.

Our investigator looked into the matter. But she didn't think UKI had acted unreasonably when refusing to pay the claim. She found that the policy doesn't provide cover for costs that are recoverable elsewhere and that the information supplied wasn't sufficient to show that the providers wouldn't be considering refunds. She also said that, due to the unprecedented

nature of the Covid-19 outbreak, some providers were being more flexible and so she didn't think it was unfair of UKI to ask Mr and Mrs S to approach the providers about a refund, regardless of what was published on their terms and conditions.

Mr and Mrs S disagreed. They said that whilst UKI asserted that the policy terms and conditions must be observed, it didn't extend the same principle to the terms and conditions of the providers of their arrangements – which said there was no refund due.

UKI subsequently contacted our investigator to put forward an offer. It said that it still felt it was necessary to obtain confirmation of the amounts claimed not being refundable from all of the providers, however, it said it was prepared to obtain this information on Mr and Mrs S's behalf. And once this was obtained, UKI said it would also consider paying Mr S a pro-rata refund of the ski passes.

This offer was put to Mr and Mrs S. Before they were prepared to accept the offer, they asked for clarification on how the settlement of the ski pass would be calculated. Following further correspondence with our investigator and UKI, Mr and Mrs S agreed the calculation method being used by UKI for the ski passes was acceptable, however, they maintained that UKI's requests for information to support the claim were unreasonable.

As no agreement could be reached, the matter was passed to me to decide.

On 3 March 2022 I issued my provisional decision. In it I said the following:

"The relevant rules and industry guidelines say that insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Mr and Mrs S's complaint.

The cancellation section of the policy provides cover for the portion of trip costs applicable to each person, should it be necessary to cancel the trip for one of the listed covered reasons. There doesn't appear to be any dispute regarding the cause of the cancellation, or whether the costs claimed for are otherwise covered by the policy, so I don't intend to make any findings on these points.

What remains in dispute is whether Mr and Mrs S have done enough to demonstrate that the costs they are claiming for are irrecoverable from elsewhere. UKI has said that there is currently not enough information to show that the costs claimed are not recoverable elsewhere. Mr and Mrs S feel that they have given enough information.

From looking at Mr and Mrs S's policy terms and conditions it, like most, if not all, travel insurance policies on the market, doesn't provide cover for 'recoverable' costs. It describes these as "*Any costs you can recover from elsewhere*". This is because insurance is designed to indemnify the policyholder only if they are unable to reclaim their losses from any other source.

The policy also states that the policy holder must provide a "*cancellation invoice, ...unused tickets and tickets receipts*" along with any "*other supporting documents that we reasonably ask for to support your claim*". The purpose of requesting evidence of the cancellation of any service is to ensure that the service hasn't been used and give details of what, if any, refund is being made available as a result of the cancellation. It can also demonstrate that there haven't been any delays in notifying the service provider which could impact on any refund which may be due. Generally, it's for a policyholder to provide sufficient evidence in support of their claim, and an insurer is entitled to make reasonable enquiries to satisfy itself that a claim is covered.

I will now go on to consider individually the items being claimed, and whether I think UKI's position that it needs further evidence is fair and reasonable in the circumstances.

### *Ski passes*

In January 2020, Mr and Mrs S purchased ski passes for the full ski season – which was until May 2020. They used the passes during a two week holiday in January and they have told us that this trip in March 2020 was the only other trip they had booked during this season. Due to the resort being closed down, the ski lifts were not allowed to operate. UKI has requested evidence that the ski passes have been cancelled and that the provider won't be giving a refund.

I've looked at the evidence provided by Mr and Mrs S. They have supplied details of the terms and conditions from the ski pass company and I can see these state that no refund is due as a result of the non-availability of facilities. I can understand why Mr and Mrs S may have thought this was enough evidence to support their claim.

However, the impact of the Covid-19 outbreak was unexpected and was an unprecedented situation for the travel industry. As a result, some suppliers were prepared to be more flexible about refunds than the approach detailed in their standard terms and conditions. So, I don't think it was unreasonable for UKI to request further information regarding the stance of the ski pass provider in relation to this particular circumstance.

Mr and Mrs S did send screen shots from the provider's website which was updated in July 2020 – nearly four months after they were due to travel. And I can see that this information referred to extending the passes to include the summer operating season. But I also note that the website specifically states if someone cannot use the pass, no refunds will be provided. As this information from the website is dated several months after the initial closure of the resort, I think it is fair to accept this information as sufficient evidence that no refunds are available for the ski pass cost.

In terms of the cancellation of the passes, Mr and Mrs S have made it clear they had already been used on a previous skiing trip earlier in the year. And following the travel restrictions which were placed on UK citizens from 23 March 2020, I'm satisfied that they wouldn't have been able to utilise the passes from that point – and certainly not before the end of the ski season. So, I don't think it is reasonable for UKI to require Mr and Mrs S to provide any further information to support that they have not used these passes following the closure of the ski resort.

Based on the information provided, I'm persuaded Mr and Mrs S have done enough to show that they were unable to use their ski passes following the closure of the ski resorts in March 2020. And I'm satisfied that the information they have provided shows that no refund is available.

I'm aware that both parties have been in contact in relation to how the refund of the unused portion of the ski passes would be calculated. UKI has provided two different calculations which Mr and Mrs S have confirmed are acceptable to them. So UKI now needs to settle the claim for the unused proportion of the ski passes, based on the calculations they have provided to, and which have been agreed by, Mr and Mrs S.

### *Cattery fees*

Mr and Mrs S provided UKI with an invoice from October 2019, which showed the cost for a two week stay for two pets. They also provided a further invoice, dated 13 March 2020 – their intended departure date, which then showed the cost of a two week stay for one pet.

They have explained that, as regular clients of the cattery, they were able to obtain a lower fee for the unused stay – only being charged 50% of the cost. UKI says it requires evidence that the booking is cancelled and that this charge is the cancellation fee.

From looking at the second invoice supplied, this document doesn't confirm that the booking has been cancelled, nor does it mention that the fee charged was for the cancellation. Based purely on what is written on the second invoice, it would suggest that the booking was used, but only for one pet. So, I can understand why UKI has requested this additional information – I don't consider this to be an unreasonable request. I also note that, since the matter has been with our service, UKI has offered to contact the cattery for Mr and Mrs S in order to obtain clarification of the charge.

I'm conscious that this matter has been outstanding for quite some time and so in an effort to resolve matters I've arranged for our investigator to contact the cattery to confirm the situation regarding the charges. And having listened to the conversation with the cattery, I'm satisfied that the 50% charge shown on the invoice is a cancellation fee for the unused booking. I would ask UKI to now make the payment for this charge.

### *Ferry*

As with the above, I haven't seen anything to show that the booking was cancelled, and so I don't think it's unreasonable for UKI to request this information. However, I understand that Mr and Mrs S have now withdrawn this part of the claim as they have been able to obtain a credit note for the cost of the booking from the relevant ferry operator. As this is no longer part of the claim, I will make no further comment on this aspect.

### *Handling of the claim*

Mr and Mrs S complained to UKI about the way the claim was being handled. UKI has acknowledged that it could have handled the claim better. It has confirmed that some of the requests it made were duplicated. It has offered £100 to Mr and Mrs S for the inconvenience these repeated requests would have caused.

I appreciate it would have been very frustrating for Mr and Mrs S to receive duplicate requests for the same information. I'm pleased to note that UKI has accepted that it has made mistakes in the way it has dealt with the claim. Based on what has happened, I think that the sum of £100 is fair and reasonable compensation for the impact of the situation on Mr and Mrs S. I don't require UKI to pay anything further."

Mr and Mrs S replied to say they had nothing further to add to what had been provided before but confirmed they would be content with the outcome the provisional decision reached. UKI also responded to confirm that it accepted the outcome.

### **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'd like to thank Mr and Mrs S and UKI for responding to my provisional decision. As both parties have accepted this outcome, I see no reason to alter my findings.

### **Putting things right**

I require UKI to:

- settle the claim for the unused proportion of the ski passes. UKI has already provided information to Mr and Mrs S on how this will be calculated.
- pay the cattery charges of £192.95 as detailed in the invoice dated 13 March 2020.

UKI can take into consideration any policy limits that may apply or deduct relevant policy excess when settling the claim.

I understand that UKI has already processed a payment to Mr and Mrs S in settlement of the claim following my provisional decision. If this payment is in line with the requirements detailed here, then UKI doesn't need to do anything further.

### **My final decision**

For the reasons mentioned above, I uphold this complaint.

UK Insurance Limited needs to put things right as detailed above, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 18 April 2022.

Jenny Giles  
**Ombudsman**