

The complaint

Mr and Mrs M are unhappy that U K Insurance Limited (UKI) declined their travel insurance claim.

Any reference to UKI includes all its agents.

What happened

Mr and Mrs M have travel insurance alongside their current account. UKI is the underwriter on the policy.

In September 2019, Mr and Mrs M booked a holiday and paid a deposit. They were due to travel on 7 June 2020. But because of the increased uncertainty surrounding Covid-19 at the time, and due to the health of Mrs M, they decided to cancel their trip on 8 February 2020. The terms of their booking with the holiday company meant that the deposit was non-refundable. So, Mr and Mrs M submitted a claim to UKI for the loss they suffered.

UKI assessed their claim and declined it. It said the Foreign, Commonwealth and Development Office (FCDO) – formerly the Foreign and Commonwealth Office (FCO) – wasn't advising against all but essential travel in February 2020. It said Mr and Mrs M therefore had no cover for their cancelled trip as their decision to cancel was because of a disinclination to travel. Also they cancelled their trip outside of the 28 days required within the policy terms and conditions. Mr and Mrs M provided evidence showing Mrs M went into hospital on 4 March 2020 and a letter from their GP confirming she was too ill to travel. UKI reviewed the information but remained of the opinion that the claim was declined. This was because the GP hadn't advised that the trip be cancelled due to Mrs M's medical grounds.

Unhappy with UKI's response, Mr and Mrs M brought their complaint to this service. Our investigator looked into it and didn't uphold it. He didn't think the claim had been declined unfairly. He said there was no FCDO advice in place not to travel when Mr and Mrs M cancelled their trip. He'd also considered that Mrs M was too ill to travel but said there was no evidence to suggest the trip was cancelled on the recommendation of the GP.

Mr and Mrs M disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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.

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.

The policy terms and conditions

I've started by looking at the terms and conditions of Mr and Mrs M's policy with UKI as this forms the basis of their contract.

The cancellation section of the policy on, page 19, sets out what is covered in the event a trip is cancelled. This says:

"Part 1 – Covers For Your Trip

Cancelling Your Trip (up to the point of departure)

*This section provides cover if **you** need to cancel **your trip**. The cover starts when **you** book the **trip** and ends when **you** reach **your point of departure**.*

*Before booking a **trip** please take a look at the Medical Screening section on page 8.*

***You** need to let **us** know about any **medical conditions**, if **you** do not there will be no cancellation cover for claims related to **your medical conditions**.*

You are covered for

***We** will pay up to £5,000 for each **insured person** for their portion of the **trip** costs if **you** have to cancel **your trip**, including:*

- Deposits.
- Commercially operated accommodation and travel costs.
- Car hire.
- Excursions and activities.
- Kennel, cattery, professional pet sitter costs.
- Car parking charges.
- The value of used points or miles if **you** booked **your flight** or accommodation using Avios or a similar promotional scheme.

[...]

Reasons for cancellation

1. **Death, illness or injury:** the death, serious injury or illness of any **insured person, your travelling companion, a close relative, a colleague** or anyone outside **your home area** that **you** had planned to stay with.
2. **Court cases and quarantine:** any **insured person, your travelling companion** or anyone outside **your home area** that **you** had planned to stay with is quarantined, called for jury service or as a witness in a **court** and a **court** official has refused to postpone it.
3. **Unemployment:** any **insured person** or **your travelling companion** is made redundant, or have a self-employed contract terminated early by the other party after **you** opened **your** Nationwide FlexPlus current account, or booked **your trip**, whichever is later.
4. **Armed forces and emergency services:** as a member of the British Armed Forces or Emergency Services any **insured person** or **travelling companion** has authorised leave cancelled due to an unexpected emergency.
5. **Fire, storm, flood or burglary:** any **insured person** or **your travelling companion** has to stay at their **home** or their place of business in the **UK** as a result of it being seriously damaged by fire, storm, flood or burglary in the seven days before departure on **your trip**.
6. **Pet emergency:** **your** pet cat or dog needs emergency life-saving treatment in the seven days before departure on **your trip**.
7. **Passport or visa:** **your** passport or visa is stolen in the seven days before **your** departure on **your trip** and **you** can't arrange a replacement in time.

8. **FCO travel advice 'All travel'**: Foreign & Commonwealth Office advise against 'All travel' to **your** destination. The advice must have come into force after **you** opened **your** Nationwide FlexPlus current account, or booked **your trip** whichever is later.

9. **FCO travel advice 'All but essential travel'**: in the 28 days before **your trip** start date the Foreign & Commonwealth Office advise against 'All but essential travel' to **your** destination. The advice must have come into force after **you** opened **your** Nationwide FlexPlus current account, or booked **your trip** whichever is later.

10. **Natural disaster**: **you** are unable to use **your pre-booked and pre-paid accommodation** due to the immediately surrounding area being badly affected by a **natural disaster**.

11. **Vehicle accident or breakdown**: **your vehicle** is involved in an accident or breaks down in the seven days before **your trip** and can't be repaired in time.

12. **Pregnancy**: any **insured person** or **your travelling companion** becomes aware that they are pregnant and are advised by a **doctor** not to travel as a direct result, or **your transport operator** confirms they would be travelling outside the **conditions of carriage**. The pregnancy must have been confirmed after **you** opened **your** Nationwide FlexPlus current account, or booked **your trip**, whichever is later.

13. **Vaccinations**: any **insured person** or **your travelling companion** is advised by a **doctor** not to travel as they can't have the recommended vaccinations for the **trip** destination due to a **medical condition**. The **medical condition** must have been diagnosed after **you** opened **your** Nationwide FlexPlus current account, or booked **your trip**, whichever is later.

You are not covered for
We won't pay for:

[...]

2. Any claim due to **you** not wanting to travel.

[...]"

Should the claim be declined?

Based on the above, cover is provided under the policy in the event the FCDO advise against all but essential travel, but this has to be within the 28 days before the trip start date. However, Mr and Mrs M cancelled their trip outside of the 28-day requirement, so I'm satisfied there is no cover available for the trip they cancelled in February 2020.

There is cover on the policy for illness of an insured person. I can see that UKI requested further information from Mr and Mrs M confirming that the GP would've advised them to cancel the trip when they did because of Mrs M's medical conditions. The GP did provide a letter, but the letter said he hadn't advised Mrs M not to travel due to health grounds and instead they were referred to follow the government advice at the time. I understand Mrs M did go into hospital, but this was around a month after the trip was cancelled.

I appreciate the reasons why Mr and Mrs M cancelled their trip but, in the circumstances of this complaint, I'm not persuaded that Mr and Mrs M have cover under the listed events under the cancellation of their policy. There was no FCDO advice in place against all but essential travel and the trip was cancelled outside of the 28 day requirement. Additionally, while I understand why Mr and Mrs M cancelled their trip, there was no evidence to suggest they cancelled it on the advice of a medical professional.

Mr and Mrs M have said they have cover for cancelling the trip due to a pandemic. While I accept there is such cover under their policy, the World Health Organisation (WHO) did not declare Covid-19 a pandemic until 11 March 2020 and because the trip was cancelled in

February 2020 – before WHO declared Covid-19 a pandemic - there would be no cover available in the circumstances of what happened here.

The terms and conditions confirm what's not covered and not wanting to travel is one of those reasons. I do entirely understand why Mr and Mrs M cancelled the trip, but this doesn't mean that UKI should now be responsible.

Overall, taking everything into account, I'm satisfied the claim wasn't declined by UKI unfairly or unreasonably. Mr and Mrs M made the decision to cancel their trip for reasons which are not covered under their policy. I therefore don't think there are any reasonable grounds upon which I could fairly ask UKI to accept the claim. It follows that I don't require UKI to do anything further.

My final decision

For the reasons given above, I don't uphold Mr and Mrs M's complaint against U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 25 May 2022.

Nimisha Radia
Ombudsman