

The complaint

Miss G, Mr R, Mrs R and Mr R complain that Ageas Insurance Limited has turned down a cancellation claim they made on their travel insurance policy.

As Mr R has been the main correspondent with our service, for ease, I'll refer mainly to him throughout this decision.

What happened

On 31 January 2020, Mr R booked a package trip abroad to a country I'll call N. The group was due to travel between 29 July and 2 August 2020. Mr R took out a travel insurance policy on 25 February 2020, which was underwritten by Ageas. He declared that he suffered from an autoimmune condition, which Ageas agreed to cover for an additional premium.

On 11 March 2020, the World Health Organisation declared Covid-19 to be a pandemic. On 16 March 2020, the UK government asked everyone in the country to stop non-essential contact with others and to stop all unnecessary travel. This advice was stated to be particularly important for those with serious health conditions. In late March 2020, GPs were asked to identify their most vulnerable patients. This was to enable those patients to be sent NHS or devolved government Public Health service communications advising them to 'shield' to protect against the risk of contracting Covid-19. Mr R was sent a shielding email, which provided strict stay-at-home guidance. And on 8 June 2020, Mr R received a further email advising him to shield until at least the end of July 2020.

Subsequently, on 1 July 2020, the Foreign, Commonwealth & Development Office (FCDO) lifted some of the travel restrictions which had been in place since 17 March 2020. Some countries were placed on a 'travel corridor' list, which meant they were exempt from FCDO advice against all but essential travel abroad. N was on this list. Alongside the FCDO travel corridor list, N's own government lifted restrictions and permitted UK nationals to enter the country from 1 July 2020 onwards too.

As a result of Mr R's shielding email though, he and his party weren't able to travel as planned. So they made a claim on their travel insurance policy for the costs associated with cancelling their trip.

Ageas turned down Mr R's claim. It said the policy didn't cover these circumstances. And it said that the cancellation section of the policy specifically excluded claims which were down to government regulations.

Mr R was unhappy with Ageas' decision and he asked us to look into his complaint. Our investigator thought Mr R's complaint should be upheld. She noted that the cancellation section of the policy covered cancellation due to a policyholder's quarantine. She noted that the policy didn't define what Ageas meant by quarantine. So she thought about the everyday meaning of the word. She concluded Mr R's situation could fairly be treated as a period of quarantine. So she recommended that Ageas should cover Mr R's claim and add annual interest of 8% to the settlement.

Ageas disagreed. It didn't think the claim was covered by the policy terms. It referred to examples of cases where it considered we'd agreed on this point.

I issued a provisional decision on 28 March 2022. In my provisional decision, I explained the reasons why I didn't think it had been fair for Ageas to turn down this claim. I said:

'The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Mr R's claim and the available evidence, to decide whether Ageas treated him fairly.'

I've first considered the terms and conditions of Mr R's policy, as these form the basis of his contract with Ageas. The cancellation section provides cover for a policyholder's unused travel and accommodation expenses if they have to cancel their trip due to one of a number of listed, specified events. One of these is:

'the death, bodily injury, illness or being subject to quarantine of you, a close relative or any person you have arranged to travel or stay with during your trip.'

The contract of insurance doesn't define what Ageas means by quarantine. In these circumstances then, I've considered the ordinary, everyday meaning of the word as well as the context in which the word 'quarantine' is used within the policy wording. I've also had regard to the following dictionary definitions of quarantine:

'a period of isolation or restrictions on movements intended to prevent the spread of disease'.

'a general period of time in which people are not allowed to leave their homes or travel freely, so that they do not catch or spread a disease'.

'a state of enforced isolation'.

I've looked closely at the shielding email Mr R was sent on 8 June 2020. This suggests that Public Health was updating its shielding advice to include vulnerable people being able to go outside for unlimited exercise. However, it advised (amongst other things) that Mr R should stay close to home, so that he didn't have to use a toilet which wasn't his own; maintain strict social distancing at all times, even if he was out with someone he lived with and shouldn't meet with anyone he didn't live with. And the email clearly stated that Mr R should stay at home until 'at least' the end of July.

It's clear then that at the point Mr R decided against travel, on 22 June 2020, medical advice was to stay at home and only leave home for a very limited number of reasons. And it's apparent that this shielding advice would've still been in place for at least the first three days of Mr R's trip. I think that this period of shielding can fairly be treated as a period of enforced isolation. And I think the shielding email, which was specifically addressed to Mr R, is evidence that he was in such isolation.

In my view, the common meaning and understanding of quarantine is wide enough to include Mr R's enforced isolation to avoid the risk of contracting Covid-19. And I think a reasonable person would therefore consider that Mr R was in quarantine and that that was the reason he had to cancel his trip.

As I think Mr R was effectively subject to quarantine, I think his claim falls within the scope of policy cancellation cover. I appreciate Ageas considers that the shielding advice is tantamount to a government regulation. I disagree.

Government regulations are passed in Parliament; have legal effect and can be enforced. Advisory guidance is purely advisory and there's no obligation to follow it nor are there any potential legal consequences if a person chooses not to do so. So I don't think this exclusion would apply to the circumstances of Mr R's claim. And as I've set out above, at the time Mr R was due to travel, there were neither FCDO restrictions on travel to N, nor government restrictions on Mr R entering the country.

I'd add too that I think there's another reason why it's fair and reasonable for Ageas to reassess Mr R's claim. That's because page 1 of the policy sets out a list of 'Important Health Requirements for all Insured Persons', which a policyholder must be able to comply with in order to have full medical cover. Two of these requirements say:

'You must be fit to undertake your planned trip. In the event of a claim we may require confirmation of this from a Medical Practitioner.

You must not travel against medical advice (or would be travelling against medical advice had you sought medical advice prior to travel)...

Given Mr R's circumstances and the shielding email which had been sent specifically to him, advising him to continue to stay at home, I think he'd have been travelling against medical advice if he'd taken the trip as planned. And I think it's unlikely that a medical practitioner would've confirmed he was fit to travel either. I think it's likely Mr R may have understood that Ageas would've refused to cover him if he had travelled and claimed. I think that leaves Mr R in the unfair position of not being covered if he cancelled due to him having to isolate on the advice of Public Health, but also not being covered if he had travelled because of the medical advice to isolate and not travel because of the shielding advice. And it's clear that Mr R was shielding due to a condition which he had already declared to Ageas and which it had agreed to cover.

Ageas has referred to other cases where we've reached a different outcome. However, each case is considered on its own specific facts. And in the individual circumstances of this complaint, I currently think that the fair and reasonable outcome is for Ageas to reassess this claim in line with the policy terms and conditions.'

I asked both parties to send me any further evidence or comments they wanted me to consider.

Both Mr R and Ageas accepted my provisional findings, although Ageas told us that its acceptance was without prejudice to liability.

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.

As both parties have accepted my provisional findings, I see no reason to change them.

So my final decision is the same as my provisional decision and for the same reasons.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I uphold this complaint.

I direct Ageas Insurance Limited to reassess this claim, in line with the remaining

terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G, Mr R, Mrs R and Mr R to accept or reject my decision before 17 May 2022.

Lisa Barham
Ombudsman