

The complaint

Mr and Mrs W are unhappy that AXA Insurance UK plc declined a claim made under their travel insurance policy.

What happened

Mr and Mrs W held an annual multi-trip travel insurance policy. This was provided through a packaged bank account and provided cover for trips worldwide.

Mr and Mrs W went abroad on 29 January 2020, with them due to travel back to the UK on 29 March 2020. But a few days before they were due to travel home, on 25 March 2020, their return flight was cancelled. So, they've explained they were stuck abroad, incurring additional expenses – such as accommodation and medication costs.

Because of the above, Mr and Mrs W made a claim under their travel insurance policy. They had numerous communications with AXA and an interim payment of £2,500 was paid to them. However, AXA later informed Mr and Mrs W that the interim payment shouldn't have been provided to them – because the insurance policy didn't cover the circumstances Mr and Mrs W found themselves in.

AXA explained that the policy provided cover for a trip that was no longer than 45 days in duration. And the costs Mr and Mrs W were claiming for were outside of those 45 days. It said Mr and Mrs W's holiday was in fact due to be 61 days long, and the flight had been cancelled on day 57. So, AXA said it wouldn't be settling any more costs in relation to the claim. And, it said it would need Mr and Mrs W to return the £2,500 already paid to them.

Mr and Mrs W were unhappy with this. They questioned why it had taken AXA so long to tell them the claim wasn't actually covered. And they said they had actually contacted AXA previously, to ask whether they needed to purchase trip extension cover – to ensure the whole of their time away was covered. But, when they had spoken to an advisor on the phone, they'd said Mr and Mrs W didn't need a travel extension, because they were travelling to different countries during their holiday – and would be considered as two different trips.

AXA considered Mr and Mrs W's concerns. But maintained its position on the matter. It said Mr and Mrs W could take as many trips as they liked within their insurance period. But the duration of those trips was to be a maximum of 45 days. AXA said there was no evidence of Mr and Mrs W purchasing travel extension cover. Or of Mr and Mrs W speaking to an AXA representative to ask whether this was necessary. AXA suggested Mr and Mrs W may have called the bank the policy was taken through, instead of it.

AXA recognised the time taken to tell Mr and Mrs W that the claim was declined, and the incorrect payment of £2,500. And it offered Mr and Mrs £100, to be deducted from the £2,500 they needed to return to AXA, to compensate them for the trouble and upset this caused.

Mr and Mrs W disagreed. They said they'd be in the presence of their travel companions at the time they had called AXA to check whether they needed to an extension to cover. And they had been told no. Mr and Mrs W said they had called AXA, not the bank. As AXA's position didn't change, and Mr and Mrs W remained dissatisfied, they referred their complaint to this service, for an independent review.

Our investigator considered this complaint and were satisfied that Mr and Mrs W's costs whilst still abroad weren't covered by their policy. The investigator noted the maximum duration of 45 days per trip and said Mr and Mrs W's claim was for costs that arose following these 45 days.

Our investigator said they hadn't been able to find firm evidence of the call Mr and Mrs W said they'd made to AXA about their cover, or of them being told a travel extension wasn't required.

However, our investigator considered that AXA should increase the compensation offered to Mr and Mrs W by a further £150 – so the total was £250, for the delay in declining the claim, and the incorrect interim payment. They felt that more fairly recognised the upset caused. AXA agreed, and paid the £250 to Mr and Mrs W's bank account.

Mr and Mrs W didn't agree. They accepted the 45-day duration on their policy but reiterated that they had called AXA to seek advice about trip extension cover and been told they didn't it. Mr and Mrs W provided information on the phone number they called AXA from, for AXA to try and locate the call from when they contacted it to discuss whether travel extension cover was needed. And they provided a letter from their travelling companions, to confirm Mr and Mrs W had called AXA about the situation.

Our investigator investigated whether AXA had any record of the call Mr and Mrs W explained they made. AXA responded with screenshots showing their search didn't locate a call from the relevant number, to themselves. Our investigator said that without this call, and firm evidence of what had been discussed, their opinion didn't change. And they noted that whilst Mr and Mrs W's travel companions had provided a letter, this didn't change the opinion either.

Mr and Mrs W noted AXA's call handlers had made a number of errors, and that the absence of the call was another one. Mr and Mrs W felt AXA, and our investigator, were calling them liars – as well as Mr and Mrs W's travel companions.

Because Mr and Mrs W disagreed, their complaint has been referred 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, my decision is to uphold this complaint in part. I've explained the reason for the below.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly, fairly and not unreasonably decline it. So, I've thought about whether AXA, in declining this claim, acted in line with these requirements. And I'm satisfied it did.

I've reviewed Mr and Mrs W's policy documentation. And I can see this is clear in noting that the policy has a maximum trip limit, of 45 days. This is noted in a number of places within the policy, including under the definition of the word trip, which explains that a trip is:
"... any holiday, business or pleasure trip or journey within the geographical limits, during the period of insurance, commencing and ending in Your Home Area, with a maximum duration of 45 days."

Mr and Mrs W accept the above maximum limit is within their policy. And Mr and Mrs W's return flight, scheduled for 29 March 2020, was outside of this 45-day limit. So, I'm satisfied that any losses arising from the cancellation of the flight aren't covered by the policy. With that in mind, AXA fairly declined Mr and Mrs W's claim – the loss isn't covered.

Mr and Mrs W have said that whilst they can see the policy doesn't provide cover to them, for longer than 45 consecutive days, they did seek advice from AXA prior to travelling. Mr and Mrs W said they were on a different holiday with their travelling companions, when those companions said they'd taken out a trip extension – to cover the entire length of their trip.

Mr and Mrs W said they therefore called AXA, to see if they needed to purchase cover additional cover, to ensure they had insurance in place for the entire duration of their trip – this being from 29 January 2020 to 29 March 2020. Mr and Mrs W said they were told by a representative from AXA that they didn't need this extension – which is why they didn't take it out. Mr and Mrs W noted this was wrong information cost them the ability to be covered for the whole trip, and therefore the extended stay abroad they had, due to the pandemic.

I've considered this element of Mr and Mrs W's complaint. This service has been provided with details from Mr and Mrs W of the phone number they used to call AXA. And we asked AXA to search for these calls. It has provided evidence, in the form of screenshots, which show it hasn't a log on its phone system, of any incoming call from that number, when Mr and Mrs W said they called.

Mr and Mrs W have submitted information to show they can't provide telephone records – as the call was made on a pay as you go phone, which is no longer in service. Because of the above, I haven't seen any firm evidence of the call. That isn't to say it didn't take place. Mr and Mrs W are clear that did it. And have provided a letter from their travelling companions noting the same.

But, to say AXA did something wrong here, I'd need to be persuaded that AXA spoke to Mr and Mrs W, knew the full details of Mr and Mrs W's specific situation and gave them wrong information. Information that told them a claim would be successful, and no trip extension needed, for anything over the maximum trip duration of 45 days. Mr and Mrs W have said they were told their holiday would be considered as two trips. But I haven't firm evidence of that – and how AXA explained and worded any information it gave. And the terms and conditions in Mr and Mrs W's policy is clear as to what a trip is. So, I think Mr and Mrs W had sufficient information to highlight that they needed an extension to cover.

I do however acknowledge that Mr and Mrs W experienced some customer service issues with their claim. They were provided with an interim payment of £2,500 – but then later told the claim was declined. I think Mr and Mrs W could have been told the claim was declined more efficiently than they were. And I can see how AXA's error of sending them £2,500 when the claim wasn't covered, would have led to a loss of expectation when they were eventually told the claim wasn't covered.

Given that AXA took too long to decline the claim and caused confusion and inconvenience by providing the above interim payment, I do think it's fair and reasonable for AXA to pay

Mr and Mrs W compensation for this trouble and upset. Our investigator recommended a total of £250. And AXA agreed to this. I've thought about whether this level of compensation is fair. And I'm satisfied it is. I think it fairly recognises the trouble and upset the above issues caused. And so, I don't require AXA to pay anything additional to the £250 compensation.

If Mr and Mrs W haven't paid back the claim settlement they were wrongly provided with, they will need to do so. And AXA will need to work with Mr and Mrs W, to ensure this can be repaid in a way that's sustainable for Mr and Mrs W.

My final decision

Given the above, my final decision is that AXA Insurance UK plc should pay Mr and Mrs W compensation of £250 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 16 August 2022.

Rachel Woods
Ombudsman