

## **The complaint**

Mr H and Ms M are unhappy that Ageas Insurance Limited declined a claim they made on their travel insurance policy.

## **What happened**

Mr H and Ms M booked a holiday abroad in July 2020. They were due to travel to a country I'll refer to as 'F' in September 2020.

During the summer of 2020 the travel industry was significantly impacted by the ongoing impact of Covid-19. On 14 August 2020 the UK government added the country Mr H and Ms M were due to visit to the 'quarantine' list which meant that travellers returning from F needed to self-isolate for 14 days on their return. The Foreign and Commonwealth Development Office ('FCDO') also advised people who hadn't travelled yet against all but essential travel to F. A few weeks later Mr H and Ms M cancelled their holiday.

Mr H and Ms M made a claim for their unused accommodation and travel costs. As they were part of a larger group they claimed for their proportion of the costs. Ageas declined the claim on the basis that the policy didn't cover the prohibitive regulations of any government. Mr H and Ms M complained but Ageas maintained their decision to decline the claim. Unhappy, Mr H and Ms M made a complaint to our service.

Our investigator looked into what had happened and upheld the complaint. She didn't think it was fair and reasonable to decline the claim as Mr H and Ms M wouldn't have been covered if they'd travelled abroad against FCDO advice but also not covered if they cancelled. And, she didn't think there were any prohibitive regulations in force at the relevant time. Ageas didn't agree and highlighted other cases that our service hadn't upheld. So, I need to make a decision.

## **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'm satisfied that our investigator identified, and set out, the relevant industry rules and guidance which apply to the specific circumstances of this case. The investigator also highlighted, and referred to, the key documents which are relevant to this complaint.

### The policy documentation

The Insurance Product Information Document ('IPID') summarises the cover available. On page one it says:

'What is not insured?

Travel against Foreign and Commonwealth Office advice'.

The policy terms and conditions say, on page six:

We will pay you up to the amount shown in the summary of cover for the unused portion of your travel and accommodation costs that you have paid or contracted to pay and you suffer a financial loss because you cannot get a full refund if you cancel before the start of your trip or cut your trip short and return home early during the period of insurance because of the following:

1. The death, bodily injury, illness or being subject to quarantine of you, a close relative or any person you have arranged to stay with during your trip; or
2. You being called for jury service or as a witness in a Court of Law; or
3. Your redundancy, provided that you were working at your current place of employment for a minimum of two years and that you were not aware of any impending redundancy at the time this policy was issued or the trip was booked; or
4. Your home being made uninhabitable due to accidental damage, burglary, flooding or fire; or
5. You, or any person you intended to travel with, who is a member of the armed forces, emergency services, the nursing profession or a government employee being ordered to return to duty.

There is no cover for:

Claims arising from the prohibitive regulations of any country.

There are general exclusions to the policy, set out on page thirteen of the policy, which include:

We will not pay anything directly or indirectly caused by:

Your travel to a country or specific area or event to which the Travel Advice Unit of the Foreign and Commonwealth Office or the World Health Organisation has advised against all, or all but essential, travel.

Was it unreasonable for Ageas to decline the claim?

I think it's fair and reasonable for Ageas to treat the claim as covered under the cancellation section of the policy because:

- Mr H and Miss M cancelled their trip because the FCDO advised against all but essential travel to the destination they were due to travel to. That's not something that is covered under the terms and conditions of the policy as it's not a specific or listed insured event. However, taking into account the relevant law and industry guidelines, I don't think that leads to a fair and reasonable outcome in the circumstances of this case for the reasons I'll go on to explain.
- The exclusions that I've outlined above mean that if Mr H and Miss M had travelled abroad they'd have not followed FCDO advice. So, they wouldn't have been covered by the policy terms and conditions. But, under the terms and conditions of the policy, changes in FCDO guidance also aren't covered by the policy. I don't think that was

made sufficiently clear to Mr H and Miss M.

- Mr H and Miss M would have needed to read the full policy terms and conditions in order to understand that this set of circumstances wasn't covered. And, I don't think that this information was brought to their attention in a prominent and transparent way. So, I don't think the combined effect of the policy terms was made sufficiently clear.
- I think this has created a significant imbalance in the rights and interests of Ageas and Mr H and Miss M. I think it's unlikely that they would have purchased the policy if they had realised that there was no cover under the policy if the FCDO guidance changed after they'd bought the policy. Policies offering cover for changes in FCDO advice were widely available at the time Mr H and Miss M bought the policy.
- Based on the evidence I've seen I don't think that Mr H and Miss M cancelled their trip due to the prohibitive regulations in the UK or abroad. And, I don't think Ageas has adequately demonstrated it was fair and reasonable to rely on the exclusion on the facts of this case. I'm satisfied that in this case it's most likely that the main reason for cancellation was the advice of the FCDO not to travel to F. FCDO advice is government advice but it doesn't have the force of law and can't be enforced. So, I don't think it's fair and reasonable to conclude, on the specific facts of this case, that the general FCDO advice against travel to F amounts to a prohibitive regulation.

Ageas has referred me to other complaints our service has considered, and not upheld. However, the facts of those cases are different to the circumstances in this particular case. And, for the reasons I've outlined above, I'm upholding this complaint.

### **Putting things right**

I'm directing Ageas to treat the claim as covered under the cancellation section of the policy. Ageas should therefore assess the claim under the remaining terms and conditions of the policy.

### **My final decision**

I'm upholding Mr H and Ms M's complaint against Ageas Insurance Limited and direct them to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Miss M to accept or reject my decision before 22 July 2022.

Anna Wilshaw  
**Ombudsman**