

## The complaint

Mr A complains because Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. hasn't paid a claim under his travel insurance policy.

## What happened

Mr A held an annual travel insurance policy, provided by Mapfre. The policy was taken out in September 2019, with a start date of 6 January 2020. According to the policy schedule, Mr A added travel disruption cover to his policy on 8 March 2020, effective from 15 March 2020.

Mr A was due to travel to a country, which I'll call A, on 14 August 2020. However, the flight was cancelled on the day of travel when Mr A was at the airport. The airline said this was due to capacity restrictions mandated by the government of A. Mr A received a credit from the airline for his original flight, to be used at a later date.

As work was being done at Mr A's home, he was unable to return there for two days and instead paid for alternative hotel accommodation. Mr A subsequently flew from his home to a different airport to fly to A with a different airline. Mr A paid to stay overnight before his flight, and also paid for an internal flight within A in order to reach his original intended destination.

Mr A made a claim under his policy with Mapfre for his additional costs. Mapfre gave Mr A a number of reasons why his claim wasn't covered – including that he had no financial loss, and that the circumstances which he found himself in weren't covered under 'Section A: Cancellation or Curtailment Charges' of his policy.

Unhappy, Mr A complained to Mapfre before bringing the matter to the attention of our service. One of our investigators looked into what had happened and said Mr A's claim wasn't covered under Section A of his policy. Mr A didn't agree with our investigator's opinion, so his complaint was referred to me.

I made my provisional decision about Mr A's complaint earlier this month. In it, I said:

*'Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when making my provisional decision about Mr A's complaint.'*

*Section A of Mr A's policy covers cancellation of a trip. A 'trip' is defined as a holiday or journey beginning and ending in the UK. Mr A's trip wasn't cancelled. His outbound flight was cancelled, which meant the dates of his trip were altered. So, his trip went ahead – with a different outbound flight than originally planned. But Mr A's trip to A wasn't cancelled in its entirety, so 'Section A: Cancellation or Curtailment Charges' doesn't apply to his claim.*

*However, Mr A held 'Travel Disruption' cover under Sections R1-R5 of his policy. Section R2/R3 outlines the cover available for 'Extended Delayed Departure/Extended Holiday Abandonment' and says:*

*'2. We will pay you up to £1,000 for....: ...'*

*b) suitable additional accommodation (room only) and travel expenses necessarily incurred in reaching Your overseas destination...as a result of:*

*i) the Public Transport on which You were booked to travel being cancelled, delayed for more than 12 hours, diverted or re-directed after take-off...'*

*The definition of 'Public Transport' includes any publicly licensed aircraft on which the policyholder is booked to travel.*

*Mr A was at the airport when his flight was cancelled, and he incurred additional accommodation and travel expenses to reach A. It therefore seems clear to me that Mapfre should have considered the circumstances of his claim under Section R2/R3.*

*I don't think Mapfre handled Mr A's claim fairly, and I think it unreasonably rejected the claim. I think it should have been clear to Mapfre from the outset that Section A didn't apply to the circumstances of Mr A's claim. Mapfre doesn't appear to have given any consideration as to whether Mr A's claim was covered under the relevant sections of his policy (Section K1/K2: Delayed Departure/Holiday Abandonment or Section R2/R3) and instead gave Mr A a number of incorrect reasons as to why his claim wasn't covered – for example, saying Mr A had no financial loss.*

*I'm satisfied that Mapfre's handling of this claim caused Mr A inconvenience, frustration and annoyance, so I currently think Mapfre should also pay Mr A compensation for the impact of the situation on him.'*

So, I said I intended to recommend that Mapfre should assess Mr A's claim under Section R2/R3 of this policy and pay him £150 compensation for the distress and inconvenience he experienced as a result of Mapfre's handling of his claim.

Mr A accepted my provisional decision but queried what the next steps would be if Mapfre assessed his claim under Section R2/R3 and later declined it. Mapfre also accepted my provisional 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.

As neither party has raised any additional arguments or provided any new evidence, I see no reason to change my provisional findings.

My direction is for Mapfre to assess Mr A's claim under Section R2/R3 of his policy. If Mapfre subsequently declines Mr A's claim for any reason then Mr A would need to complain directly to Mapfre in the first instance, before bringing a new complaint to our service.

### **Putting things right**

Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A must put things right and do the following:

- assess Mr A's claim under Section R2/R3 of his policy;
- pay Mr A £150 compensation for the distress and inconvenience he experienced as a result of Mapfre's handling of his claim.

Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A must pay the compensation within 28 days of the date on which we tell it Mr A accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

### **My final decision**

My final decision is that I uphold Mr A's complaint and I direct Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A 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 A to accept or reject my decision before 15 August 2022.

Leah Nagle  
**Ombudsman**