

The complaint

Mr and Mrs P are unhappy that Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. declined a claim on their travel insurance policy.

What happened

In May 2020 Mr and Mrs P took out an annual travel insurance policy underwritten by Mapfre. They were due to travel abroad in July 2020 with their children. Their flights were cancelled due to the ongoing impact of Covid-19 on international travel. They were unable to use the accommodation they'd booked.

Mr and Mrs P say they contacted Mapfre and were told they needed to cancel the accommodation in order to claim. Having spent some time on the phone to their travel provider they were offered an amendment to their booking or the option to cancel. Mr and Mrs P cancelled the booking and claimed for the cost of their accommodation on their travel insurance policy.

Mapfre declined the claim on the basis Mr and Mrs P had been offered a credit note. Mr and Mrs P complained but Mapfre maintained their decision to decline the claim, on the basis that they'd been offered an amendment to the holiday. Unhappy, Mr and Mrs P complained to our service.

Our investigator didn't uphold the complaint. She thought that Mapfre had fairly declined the claim. She didn't think there was cover under the policy and that the terms of the offer to rebook the accommodation weren't unreasonable. Mr and Mrs P didn't agree and asked an ombudsman to review the complaint. They said Mapfre told them to cancel. Our investigator asked Mapfre to provide copies of the calls with Mrs P but it hasn't done so.

In August 2022 I issued a provisional decision. I said that I was intending to uphold Mr and Mrs P's complaint. I said:

I'm intending to uphold this complaint because:

- I think it would be fair and reasonable for Mapfre to cover the claim in the unique circumstances of this particular case.
- The policy covers cancellation, missed departure and delayed departure. Mrs P contacted Mapfre to seek guidance about what to do when she learned that her flight was cancelled. She says she was told that she'd need to cancel the accommodation in order to make a claim. Her testimony on this point has been credible, plausible and persuasive. I've asked Mapfre to provide a copy of the call, but it hasn't. So, I think Mrs P's recollection of events is what is most likely to have happened.
- Mrs P was left with the impression that she had to cancel her holiday in order to claim. So, when she was offered an amendment or the option to cancel, she chose to cancel. I think that was reasonable in view of the information she'd been given by Mapfre.

- Mrs P claimed on the policy and was told, in summary, that she shouldn't have cancelled as she was offered an amendment by the accommodation provider. Based on the evidence I currently have; this wasn't made clear to Mrs P during the phone call she had with Mapfre. If it had been made clearer, she'd have been able to make a more informed decision when the accommodation provider offered her an amendment to the booking.
- I've also taken into account what Mrs P has said about her reasons for rejecting the amendment at that time. She's explained her son has a medical condition which was impacted heavily by the lockdowns imposed in response to Covid-19. So, she feels it's unlikely they'd be able to go abroad any time soon. And she's explained that, due to the nature of both her and Mr P's jobs, they've been impacted financially by the pandemic. So, all of these were reasons why she was worried about amending the booking rather than cancelling it.
- Based on the evidence I have and taking into account the specific circumstances of this case I think it would be fair and reasonable for Mapfre to step outside the policy terms and conditions and treat the claim as if it's covered by the cancellation section. That's because I think Mrs P made her decision to cancel based on the information given to her in the call with Mapfre.
- Mr and Mrs P ought to be aware that I've made my provisional decision based on the limited information available to me. If Mapfre provides further information this may have an impact upon the outcome of this complaint.

Mapfre and Mr and Mrs P accepted my provisional findings.

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 Mapfre and Mr and Mrs P accepted my findings there's no reason for me to reach a different outcome. I'm upholding Mr and Mrs P's complaint for the reasons outlined above and in my provisional decision.

Putting things right

I direct Mapfre to put things right by paying Mr and Mrs P's claim, subject to the relevant policy limits. Mapfre is also entitled to deduct any excess which might be applicable.

They should also pay Mr and Mrs P 8% simple interest per year from the date that the claim was declined to the date that the claim is settled.

If Mapfre considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs P how much it's taken off. It should also give Mr and Mrs P a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I'm upholding Mr and Mrs P's complaint against Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. 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 and Mrs P to accept or reject my decision before 15 September 2022.

Anna Wilshaw
Ombudsman