

## **The complaint**

Mr D and Ms T complain that AXA Insurance UK Plc hasn't fully settled a travel disruption claim they made on a travel insurance policy.

## **What happened**

Mr D and Ms T have travel insurance as a benefit of a packaged account with their bank.

The detailed circumstances of this complaint are well-known to both parties, so I won't set them out in detail here. In summary though, Mr D and Ms T were abroad in a country I'll call U. They were due to fly back to the UK on 29 January 2021. However, due to the Covid-19 pandemic, the UK closed its borders to travellers from U on the day they'd arranged to return. So their airline cancelled the flight.

Mr D contacted AXA to make a claim. He told AXA that the airline had rescheduled the return flight for 4 February 2021. It seems a flight was booked from U to a country I'll call F. Mr D and Ms T went on to make arrangements with another airline to fly from F back on to the UK. But F's government had imposed restrictions on UK travellers. So they couldn't take this flight either.

On that basis, Mr D and Ms T flew to a country I'll call R. They managed to arrange a flight to a country I'll call S on 14 February 2021 and from there, they intended to fly back to the UK. But their outbound flight from R was delayed and so they missed their onward flight to the UK from S.

Mr D and Ms T returned to R. As they'd have needed to quarantine in a government hotel for 10 days upon their return to the UK at their own cost, they chose to instead quarantine in R. They were ultimately able to return to the UK on 24 February 2021 and they made a claim on their policy for the costs they'd incurred.

AXA partly settled Mr D and Ms T's claim under the travel disruption section of the policy. It settled the cost of Mr D and Ms T's return flight from R to the UK, together with their excess baggage costs. It also paid them delay benefit up to the policy limit. But it didn't agree to pay for Mr D and Ms T's accommodation costs, as it said they'd chosen to remain in R instead of returning to the UK. And it didn't agree to cover the cost of the flight from F to the UK, because it said the travel restrictions which applied to UK travellers had already been known when Mr D and Ms T booked it.

Mr D and Ms T were unhappy with AXA's settlement and they asked us to look into their complaint.

Our investigator thought Mr D and Ms T's complaint should be partly upheld. She thought it'd been fair for AXA to decline to pay for the flight from F to the UK and for AXA to decline to cover Mr D and Ms T's accommodation costs after they'd opted to return to R following their missed flight from S to the UK. But she didn't think AXA had fairly assessed Mr D and Ms T's accommodation costs prior to 14 February 2021. So she recommended that subject to Mr D and Ms T demonstrating that the earliest they could've returned to the UK was 14 February

2021, AXA ought to consider their hotel costs claim up to that date.

I issued a provisional decision on 31 August 2022. In my provisional decision, I explained why I thought the complaint should be partly upheld. I said:

*'The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they shouldn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Mr D and Ms T's policy and the circumstances of their claim, to decide whether AXA has handled their claim fairly.'*

*I've first considered the policy terms and conditions, as these form the basis of Mr D and Ms T's contract with AXA. AXA considered the claim under section 13 – Travel Disruption. This says:*

*'On the way home*

*We will pay You up to: £5,000 for Your reasonable additional travel (including up to £200 for taxis and hire cars) and accommodation costs which are of a similar standard to that of Your pre-booked travel and accommodation (for example full or half board, all inclusive, bed and breakfast, self-catering or room only) that You cannot claim back from any other source. if You have to make alternative arrangements to return to Your Home or stay longer outside of Your Home Area as a result of:*

*The Public Transport on which You were booked to travel to Your Home Area including connections being cancelled or delayed for at least 12 hours, diverted or re-directed after take-off; or*

*If the Public Transport on which You were booked to travel to Your Home Area including any onward connecting flights is cancelled or delayed for at least 12 hours We will pay You £30 for the first 12 hours delay (unless Your Trip is three nights or less when the number of hours delay is reduced to six hours) and £20 for each full 12 hours delay after that up to a maximum of £250 providing You return to Your Home Area on the next available suitable Public Transport (this will help You pay for telephone calls made and meals and refreshments purchased during the delay).'*

*It's common ground that Mr D and Ms T's original return flight from U to the UK couldn't go ahead as planned. So AXA accepted it was liable - under the travel disruption section - for both travel delay benefit in line with the policy terms and for the cost of Mr D and Ms T's actual return flight to the UK. I think this was an appropriate response from AXA, given the circumstances in which Mr D and Ms T found themselves.*

*With that said, I don't think that AXA acted unfairly when it declined to cover all of Mr D and Ms T's expenses. I appreciate Mr D and Ms T booked a flight from F to the UK to try and return home as quickly as they could. But at the point the flight was booked, F's government had already imposed travel restrictions which meant that Mr D and Ms T would never have been able to take the flight. These restrictions had been set out on the Foreign, Commonwealth & Development Office website. The imposition of travel restrictions at short notice in response to the Covid-19 pandemic was fairly commonplace and had been ongoing for some months by this time. So I think Mr D and Ms T ought reasonably to have checked relevant travel advice before booking the flight. And I don't find it would be fair or reasonable for me to direct AXA to pay for a flight which Mr D and Ms T ought reasonably to have known they couldn't take when they booked it. This means I think it was fair for AXA to decline to cover the cost of this flight.*

*Neither do I think AXA acted unfairly when it concluded that Mr D and Ms T's flight from S to*

*R wasn't covered. I say that because having considered email information Mr D sent AXA, it seems the reason the family chose to fly back to R from S was because they didn't feel safe in S. Whilst I can entirely understand why Mr D and Ms T may have wanted to return to R rather than remaining in S and trying to board a new flight from there, this simply isn't something which is covered by the travel disruption section of the policy.*

*And it isn't clear to me that Mr D and Ms T couldn't have returned to the UK either from S or R earlier than 24 February 2021. It seems that the reason they chose to remain in R until their actual return date was to allow them to quarantine in R, rather than having to pay to quarantine in a UK government mandated hotel as they'd have been required to do. Whilst I can understand why they may have considered this to be a better and cheaper option, AXA wouldn't have been liable to pay for the costs of any required UK-based quarantine. Mr D and Ms T would always have needed to pay to quarantine for the mandatory period. So I don't think it would be reasonable for me to find that AXA should meet the cost of Mr D and Ms T choosing to quarantine in R rather than the UK.*

*However, like the investigator, I don't think AXA has fairly considered the costs of Mr D and Ms T's accommodation. I've looked carefully at AXA's contact notes and I can see that when Mr D first made the claim, he told AXA that the airline had rescheduled his flight for 4 February 2021. So it seems to me that this was the earliest point at which Mr D and Ms T could have potentially been able to return to the UK following the cancellation of their flight on 29 January 2021. That being the case, it seems to me that they'd always have needed to pay for additional accommodation between 29 January and 4 February 2021 – which appears to be covered by the travel disruption section of the policy. So it isn't clear to me why AXA hasn't considered this accommodation cost in line with the policy terms. And I currently intend to direct it to do so for this period.*

*I haven't seen enough evidence though to conclude whether AXA fairly declined to cover the further accommodation costs between 4 and 14 February 2021. I say that because there simply isn't enough available evidence to show that Mr D and Ms T's airline couldn't have arranged for them to return to the UK between 4 February 2021 and 14 February 2021 – the date of the planned flight from R to the UK via S. If 14 February 2021 was the earliest available potential return flight, then I think it would be reasonable for AXA to consider Mr D and Ms T's accommodation costs up to this date in line with the remaining terms and conditions of the policy.*

*But I agree that given the lack of information, it would be fair for Mr D and Ms T to make reasonable attempts to obtain evidence from their airline to show that it couldn't have offered any earlier return flight, to allow AXA to consider their accommodation costs further. AXA has agreed to this particular recommendation and so it's open to Mr D and Ms T to ask for information from their airline to demonstrate that 14 February 2021 was the earliest possible return date – or to provide evidence of attempts to book other return flights with other airlines ahead of this date. Mr D and Ms T should send any such evidence, or evidence of their attempts to obtain this information, to AXA for its consideration.'*

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

AXA didn't respond by the deadline I gave.

Mr D and Ms T disagreed with my provisional findings and I've summarised their response. They said they'd called the various airlines, which had been unwilling to help them. They'd made every effort to return home – and they provided evidence of their mobile phone call costs from the time. They said the policy states that they must get home as quickly as possible – and it wasn't pointed out to them during their calls with AXA that home was classed as the UK. They'd spent a full day on the internet and phone when their flight from F

was cancelled, looking for a way to get back to the UK. Once their flight from T to S was late, they said they'd been told to return to T for a direct flight back to UK. And as they'd understood 'home' to be their home in the UK, they'd thought that by staying in T rather than quarantining in a hotel in the UK, they'd saved AXA time and costs. They also said they'd requested money from their bank and the whole experience had been very distressing.

### **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 final decision is the same as my provisional decision and I'll explain why.

Mr D and Ms T have provided further information about their attempts to book a return flight home after their original flight was cancelled, together with evidence of their mobile call costs at the relevant time. As I set out in my provisional decision, AXA agreed to reconsider Mr D and Ms T's accommodation costs until 14 February 2021 upon the provision of additional evidence which showed that this was the earliest date they could obtain a return flight. So Mr D and Ms T will need to forward their evidence and the information they've provided to me to AXA for it to consider. This doesn't mean that AXA is bound to pay their accommodation costs until this date, and it may be that AXA requires further evidence in order to reassess this part of the claim. Based on the evidence provided to it, AXA may decide that these costs aren't covered. If Mr D and Ms T are unhappy with any further consideration of this part of their claim, they may be able to bring a new complaint to us about that issue alone.

I've considered Mr D and Ms T's comments that following their late arrival in S on 14 February 2021, they were told the best way of returning to the UK was by going back to R. However, it doesn't appear that this was the explanation which they initially gave to AXA. I've seen a copy of an email from Mr D which says that he was told the next flight from S to the UK was on 15 February 2021, but it was full. However, he also said:

*'I did not check any later dates as I did not want to spend another night in S as the first night we did not feel safe. Also, any flight on or after 15<sup>th</sup> would have meant we would not get back to the UK before the hotel quarantine came into place.'*

Mr D's email was sent to AXA around the time of his claim. And so while the airline may have suggested that Mr D and Ms T might be better flying back to R before travelling to the UK, this more contemporaneous evidence indicates that the main reason they did so was because they felt safer in R. This simply isn't covered by the terms of the policy.

It's clear that Mr D and Ms T feel that by remaining abroad, they avoided the costs of mandatory quarantine in a UK-hotel and therefore, mitigated AXA's potential losses. However, as I set out above, AXA wouldn't have been liable to pay for such costs under the terms of its contract with Mr D and Ms T. And it remains the case that I haven't seen enough evidence to demonstrate that Mr D and Ms T couldn't have arranged to return to the UK between 4 and 14 February 2021 and therefore seemingly negated the need to quarantine in the UK or remain abroad. By paying for their actual return flight from R to the UK; together with their accommodation costs between 29 January and 4 February 2021, I think AXA will have met the elements of the claim which have been sufficiently evidenced. And as I've explained, AXA's entitled to reconsider the accommodation costs claim between 4 and 14 February 2021 based on any additional evidence Mr D and Ms T provide.

I'd add too that AXA had no liability or responsibility to provide Mr D and Ms T with any upfront cash while they were away. If Mr D and Ms T feel their bank (a wholly separate legal

entity to AXA) failed to provide them with assistance they asked for during the relevant period, then they'll need to complain about that issue to their bank.

I understand that Mr D and Ms T went through a stressful and worrying time. And I sympathise with their position. But I remain satisfied that the fair outcome here is the same as the outcome I explained in my provisional decision.

### **My final decision**

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

I direct AXA Insurance UK Plc to:

- Reconsider Mr D and Ms T's claim for their accommodation costs between 29 January 2021 and 4 February 2021, in line with the policy terms and conditions.
- Reconsider Mr D and Ms T's claim for their accommodation costs between 4 and 14 February 2021 *if* Mr D and Ms T can provide evidence that 14 February 2021 was the earliest potential date of return to the UK or show that they've made reasonable attempts to obtain such evidence from their airline.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms T to accept or reject my decision before 3 November 2022.

Lisa Barham  
**Ombudsman**