

The complaint

Miss H is unhappy that Euroins AD declined a claim she made under her travel insurance policy.

What happened

Miss H booked a holiday abroad – with her due to be travelling between 10 January 2022 and 22 January 2022. The holiday was one in which Miss H would be travelling in a group, with a planned itinerary. The itinerary included travelling to various areas of the country, with excursions and accommodation included.

Miss H travelled on holiday as planned. But she's explained that on 14 January 2022 she was signed off the planned trip. This was because a member of the group she was travelling with tested positive for Coronavirus. And as a result, the government of the country she was in required the group to quarantine for 10 days. This meant Miss H was no longer able to continue on the tour – with her having to stay in the one place.

As Miss H was no longer able to complete the rest of the tour, including making use of the pre-booked accommodation and travel, she made a claim under her travel insurance policy for the unused portion of her trip.

Euroins considered Miss H's claim and declined it. It said for Miss H's claim to be accepted under the curtailment section of her policy, the trip would have been needed to have been cut short. Euroins said the trip hasn't been cut short, as Miss H hadn't returned home, but stayed abroad. So, it wouldn't provide cover for the unused portion of Miss H's trip. Euroins said that it would however pay the costs Miss H incurred for staying in accommodation after the original trip date passed.

Miss H didn't feel this was fair. She felt the trip was cut short, because she had to isolate and wasn't able to continue travelling the country as intended. Or make use of the booked and paid for itinerary. Because Miss H remained dissatisfied, she referred her complaint to this service for an independent review.

Our investigator considered Miss H's complaint and didn't think it should be upheld. They noted that for Miss H's curtailment claim to be covered, her trip needed to have been cut short, with Miss H returning home. Our investigator said this hadn't happened, as Miss H was abroad for the full duration of her planned trip. So, they didn't recommend Euroins do anything differently.

Miss H disagreed and reiterated that she considered her trip to have been curtailed. As Miss H disagreed, this complaint has been referred to me to decide.

I issued a provisional decision to the parties, detailing my intended decision. In this I said:

"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, I intend on upholding this complaint, and requiring Euroins to reassess Miss H's claim under the remaining terms and conditions of the policy. I've explained this 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 and fairly. So, I've thought about whether Euroins acted in line with these requirements when it declined to settle Miss H's claim. And I don't think it did.

I've reviewed Miss H's policy documentation, to see what cover is provided to her. From doing so, I can see that Miss H's policy provides cover for cancellation and curtailment of a holiday in particular circumstances.

The relevant section of the policy notes that:

"We will pay you up to the amount shown in the summary of cover for the unused portion of your travel and accommodation you have paid....and you suffer a financial loss because you...cut your trip short and return home early during the period of insurance because of the following:

The section then lists a number of covered circumstances, including the need to cut a trip short because of the illness of Miss H, a close relative, her travelling companion or anyone she had arranged to stay with during her trip. As well as the need to cut a trip short because one of those people received a diagnosis of Coronavirus within 14 days of the start of the trip.

Based on the above, I'm aware that Miss H's trip needed to have been cut short because of one of the listed reasons in the cancellation and curtailment section. And she needed to have returned home early.

Miss H didn't return home early. So, based on a strict application of the policy terms, I accept Miss H doesn't satisfy the requirements under this section of the policy, for her claim to be covered.

But my remit is also to consider what is fair and reasonable in the circumstances. And in this case, I don't think a strict application of the policy terms is fair or reasonable. The reason Miss H didn't return home early is because she wasn't able to. The country in which she was staying mandated that she had to quarantine for 10 days. So, I don't think declining Miss H's claim because she didn't return home leads to a fair and reasonable outcome, based on the specific circumstances of the case.

Miss H's holiday was cut short. It being effectively curtailed because a member of the group she was travelling with had fallen ill, having tested for Covid-19. Which I consider falls into one of the listed circumstances detailed under the curtailment section of the policy.

Miss H's holiday was effectively curtailed from the point she was signed off the tour, on 14 January 2022. Miss H could no longer participate in her holiday or carry out the key features of it. These being to tour the country she was visiting with a group, staying in several locations and participating in activities. Miss H could no longer travel to do any of this, and instead had to stay in a hotel in the first area of the country she had travelled to. So, I think it's fair and reasonable to consider Miss H's holiday as curtailed under the policy.

Because of this, I think Euroins acted unfairly in declining Miss H's claim. And I intend on requiring it to reassess her curtailment claim, in line with the remaining terms and conditions of her policy – except for one element, mentioned below.

Miss H has said she incurred a £100 phone bill when calling her airline provider from abroad, to alter her return flight. And she has included this cost in her claim. Euroins has noted that the policy doesn't provide cover for this. So, it won't accept these costs. I've considered the terms and conditions of Miss H's policy. And having done so, I'm satisfied the policy doesn't provide cover for costs such as this. The policy only provides cover for the unused portion of travel and accommodation costs. So, I don't intend on requiring Euroins to do anything more in this respect. And when it reconsiders Miss H's claim, I don't require it to reassess these costs."

Miss H responded and accepted my provisional decision. Euroins didn't respond.

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, I've decided to uphold this complaint.

There hasn't been any further comments or evidence from either party, to alter my findings on this complaint, or the reasoning for it. And so, my decision remains the same as that in my provisional decision, and for the same reasons.

My final decision

Given the above, I uphold this complaint, and require Euroins AD to reassess Miss H's claim, in line with the remaining terms and conditions of the policy, other than the phone bill Miss H claimed for.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 21 February 2023.

Rachel Woods
Ombudsman