

## **The complaint**

Mr and Mrs D are unhappy that Saga Insurance Services Limited provided them with misinformation, when they raised a question about their travel insurance policy. Mr and Mrs D have said that misinformation from Saga caused them to lose out financially.

## **What happened**

Mr and Mrs D have explained that on 14 February 2022, they booked a trip abroad. Shortly after this, on 9 March 2022, they purchased an annual multi-trip travel insurance policy to cover them for this holiday. The policy was purchased through Saga.

The start date of their insurance policy was 7 April 2022, the date they were due to depart on their holiday. With the end date being one year later, on 6 April 2023.

Unfortunately, on 2 April 2022, Mr D tested positive for the Coronavirus. And a couple of days later, on 4 April 2022, Mrs D also tested positive. So, they've explained they were no longer able to travel on holiday.

Mr and Mrs D have explained that they contacted their holiday provider, on 4 April 2022, who offered to provide them with a credit voucher, for the cost of the trip. But Mr and Mrs D said when they noted they had travel insurance, the holiday provider advised them to check whether they had cover under their insurance policy first. So, this is what Mr and Mrs D did.

Mr and Mrs D have explained that they contacted Saga in relation to this. And said the Saga representative told them they were covered for the need to cancel a trip, due to contracting Covid-19. Mr and Mrs D said they relied on this information and decided to pursue a claim through their insurer – rather than taking the offer provided to them by their holiday provider.

But following this, their insurer declined their claim. Their insurer noted that Mr and Mrs D's insurance policy didn't start until 7 April 2022. So, they only had cover from that point. This meant that contracting Covid-19 and needing to cancel the holiday prior to 7 April 2022 wasn't covered.

Mr and Mrs D were unhappy with this decision. And they were unhappy with the information Saga's representative had given them on 4 April 2022. So, they raised a complaint about the matter.

Saga responded to Mr and Mrs D's complaint. It said the insurer had correctly declined Mr and Mrs D's claim. And Saga noted that when Mr and Mrs D spoke to its representative on 4 April 2022 their representative wasn't in a position to conclude whether there was a valid claim or not. Saga said Mr and Mrs D were correctly informed they would need to contact the claims department.

Mr and Mrs D remained dissatisfied with Saga's response. So, they referred their complaint to this service, for an independent review.

Our investigator considered this complaint and didn't think it should be upheld. The investigator listened to a recording of the call in April 2022, and agreed the Saga representative was giving general information, as opposed to confirming Mr and Mrs D's specific claim. Our investigator also noted that Mr and Mrs D's policy documentation made it clear that Mr and Mrs D had selected cover to start on 7 April 2022, and not before.

Mr and Mrs D disagreed. They said when they spoke to Saga, it wasn't clear they weren't talking to the claims department, and they had left the call with the understanding their claim was covered in full. Mr and Mrs D said they were looking for a refund for their cancelled holiday.

Because Mr and Mrs D didn't agree, this complaint has been referred to me to decide.

I issued a provisional decision on this complaint. 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'm intending on upholding this complaint in part, and requiring Saga to pay Mr and Mrs D compensation of £200. I've explained my reasoning for this below. The crux of Mr and Mrs D's complaint is that they were misinformed by Saga, when they called it for some advice. As an intermediary, I'd expect Saga to provide clear information when a consumer calls, asking for information.*

*So, I've thought about whether Saga did this in Mr and Mrs D's case. And I think Saga could have provided clearer information to Mr and Mrs D.*

*I've listened to the recording of the conversation on 4 April 2022. Mr and Mrs D explained to Saga that they had a query. They said they'd tested positive for Coronavirus and were due to go on holiday. They wanted to know whether their insurance policy would cover this. The representative confirmed that the policy did provide cover for if someone tested positive and needed to cancel their holiday due to this. I do think that the representative confirming this did give Mr and Mrs D the impression their claim would be covered.*

*The representative did note that Mr and Mrs D would need to contact the claims department. But they didn't note it was only the claims department that would be able to confirm whether Mr and Mrs D had cover. Or that Mr and Mrs D should refer to their policy documents, to check what cover they had. I think these actions would have been best practice. It would have let Mr and Mrs D know there was no guarantee of the claim they were describing being covered. And it would have led to Mr and Mrs D seeing their cover didn't start until 7 April 2022. It would have avoided some confusion here.*

*As I think Saga could have provided clearer information to Mr and Mrs D, I've thought about whether Saga need to do anything to put the error right.*

*Mr and Mrs D have explained they were confident their claim would be accepted, given the above information provided to them. So, when their insurer told them the claim wouldn't be accepted, they were shocked and upset. I can appreciate this was the case. Mr and Mrs D's expectations had been raised by the Saga representative. So, I do think it would be fair and reasonable to provide Mr and Mrs D with some compensation. And I think £200 fairly recognises the distress Mr and Mrs D felt, realising they had been given unclear information on the phone.*

*Mr and Mrs D have said that relying on the information provided to them by Saga meant they lost out on the credit voucher their holiday provider had initially offered them. They've*

*provided me with some internal system notes from their holiday provider, which they gained from a subject access request.*

*From looking at these, I can see the holiday provider had initially offered Mr and Mrs D the opportunity to amend their holiday dates. And Mr and Mrs D called the provider back after speaking to Saga, and noted they would claim through their insurer instead. So, I do think Mr and Mrs D relied on the information from Saga.*

*But I don't think Mr and Mrs D lost a credit voucher, or refund of their holiday as a result. The holiday provider's notes show they wouldn't offer a credit voucher or refund, in cases of positive Covid-19 tests. Instead, they would only offer for the trip dates to be amended. As I don't think Mr and Mrs D would have got the money back from the holiday provider, had they been provided with clearer information from Saga, I don't intend of requiring Saga to refund the cost of Mr and Mrs D's holiday.*

*It's my understanding that the holiday provider won't allow Mr and Mrs D to amend their trip dates any longer. But that's not something I hold Saga accountable for. It wouldn't have been reasonably foreseeable for Saga that the holiday provider would rescind an offer. And Saga hadn't been told about the offer when Mr and Mrs D called on 4 April 2022 either. So, it couldn't factor this into any information it gave at the time. Whether it was fair for the holiday provider to rescind its offer isn't something within my remit to consider. So, I can't comment on its actions."*

Saga responded and accepted it. Mr and Mrs D responded and didn't agree. In summary, and in relation to Saga, Mr and Mrs D reiterated that:

- The information provided to them by Saga on 4 April 2022, on which they based their decision to decline the credit note offered to them, was incomplete.
- The policy was marketed as providing cover, and therefore their expectations for the policy had already been set.

### **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 in part, in line with the findings in my provisional decision.

This is because neither party has provided me with evidence or comments that alter my findings in the provisional decision, or the reasoning provided within it.

I understand Mr and Mrs D's comments, that they relied on the information provided in the call on 4 April 2022, when returning to their holiday provider. In my provisional decision I've noted why I considered this meant £200 compensation was fair for this. And not anything further. As I haven't received any new or differing information in this respect, the reasoning in my provisional decision remains the same. So, I don't intend on reiterating this here. I've included it above.

Mr and Mrs D have said the policy was marketed as providing cover for the circumstances they found themselves in. And this set their expectations. Mr and Mrs D's policy did provide them with cover. After the start date selected for their policy. But Mr and Mrs D's complaint is about what happened following them contracting Covid-19 and speaking to Saga. It isn't

about the initial sale of their policy. So, I haven't considered the sales process as part of the complaint, and it doesn't make a difference to the outcome of it.

### **My final decision**

Given the above, my final decision is that I uphold this complaint in part and require Saga Insurance Services Limited to pay Mr and Mrs D £200 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 23 February 2023.

Rachel Woods  
**Ombudsman**