

The complaint

Mr K is unhappy with the way in which Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. has handled a claim made under his travel insurance policy.

What happened

Mr K had the benefit of a travel insurance policy underwritten by Mapfre ('the policy'). At the beginning of March 2020, Mr K booked a trip abroad for six nights starting 15 March 2020.

On 15 March 2020 – and shortly before Mr K was due to travel abroad– the Foreign and Commonwealth Office (FCO) advised against all but essential travel to the country Mr K was due to travel. This was due to the Covid-19 pandemic and the government restrictions which had been announced in that country. So, he didn't end up going away.

Mr K made a claim on the policy to be reimbursed for his pre-paid costs associated with his trip. That included the up-front costs he'd paid for accommodation and for his flights.

Mapfre hasn't settled the claim because the cancellation section of the policy only covered irrecoverable losses. And it required more evidence from Mr K showing that he couldn't get back the pre-paid costs he was claiming for. Unhappy that Mapfre hasn't yet settled his claim – and the time taken by it to handle his claim – Mr K complained to our service.

Our investigator looked into what happened and partially upheld Mr K's complaint. She didn't think Mapfre had acted unfairly by asking certain information from Mr K, which resulted in a delay to the claim's decision. Nor did she think it was unreasonable for Mr K to try to obtain further evidence about whether he could change the date on which he was due to stay at the hotel he'd booked to a later date. However, our investigator did ask Mapfre to reconsider Mr K's claim for his flight as he'd provided evidence that the airline hadn't provided a refund.

Mr K disagreed. So, his complaint was passed to me to consider everything afresh to decide. I issued my provisional decision in November 2022 explaining why I wasn't intending to uphold Mr K's complaint. Mapfre didn't reply but Mr K was able to provide further evidence from the accommodation provider and airline.

In light of the further information received, I asked our investigator to write to the parties in January 2023 explaining why I now intended to direct Mapfre to reconsider Mr K's claim for the cost of the accommodation. I also explained why I felt Mr K still hadn't been able to establish that he'd been unable to get back the cost of the flights. I invited both parties to reply. Mapfre didn't respond. Mr K asked us for the evidence showing that he'd received a refund by way of credit note for one of the flights.

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.

Mapfre has an obligation to treat customers fairly. It should also handle claims fairly and promptly and it mustn't unreasonably decline a claim.

Mapfre hasn't settled Mr K's claim because it says it needs more evidence to establish that his losses are irrecoverable. Mr K didn't end up going on his trip, so I think it's the cancellation section of the policy (starting at page 18) which is relevant here. This section provides cover for a trip being cancelled (including unused travel and accommodation expenses Mr K paid for) for certain insured events. But it makes clear that this is only for expenses which he "cannot get back". That term is common in travel insurance policies.

When making a claim under the policy it's for Mr K to establish his claim and that he was unable to get back the expenses he was claiming for. Although, this has delayed a decision being made about whether his claim is accepted, I don't think it was unfair or unreasonable for Mapfre to request documentary evidence from Mr K showing that he'd attempted to get a refund of the accommodation and flight costs – or whether refund vouchers or alternatives were offered. As Mr K hadn't provided that evidence at the time, I'm satisfied Mapfre's acted fairly and reasonably by awaiting this before deciding his claim.

However, more recently, Mr K has been able to provide further documentary evidence relevant to his claim.

The claim for flight costs

The evidence I've seen from the airline dated April 2020 supports that Mr K received a cash refund from the airline for one of his flights and a credit note for the other. I asked Mr K to provide information about the credit note he received; including its terms and whether he's had the opportunity to redeem credit note.

Since issuing my provisional decision, Mr K says that he wasn't notified about the credit note. He asked the airline some further questions around the credit note and he received a reply to say flights are non-refundable but giving details of one of the flights for which he did receive a refund. The airline hasn't been able to provide any further information about why Mr K received correspondence in April 2020 showing that he received a refund for one of the flights and credit for the other. Nor has it confirmed, or explained why, this had been sent in error at the time.

So, based on what I've seen, I'm satisfied on the balance of probabilities that Mr K did most likely receive a credit note in or around April 2020. And due to the limited information, I've received about that, I don't think I can fairly conclude that the terms of the credit note were unfairly restrictive. Or that Mr K couldn't have benefitted from the credit note.

Although a credit note isn't the same as a cash refund, under the terms of the policy, I don't think Mr K has established that the cost of the flight is an expense that he hasn't been able to get back.

The claim for accommodation costs

I've seen documentary evidence showing that Mr K didn't stay at the hotel on the dates he'd booked. Since bringing a complaint to our service, Mr K had been able to provide evidence from the hotel that he wasn't refunded the cost of the accommodation.

The booking confirmation he received confirming his dates of stay and the amount paid says that: "this booking is non-refundable. Changing the dates of your stay is not possible". However, there's also evidence that on 14 March 2020 (so a day before he was due to travel), the hotel emailed Mr K to say: "we would like to inform you that we can keep the

money you've paid for the next three months for a future reservation..."

Before issuing my provisional decision, I asked Mr K to contact the hotel to see whether it would extend the window for him to be able to rebook his stay – given that it had previously been extended by three months. At that time, Mr K was reluctant to do so. So, without any further evidence, I didn't think it was fair to conclude that the amount he paid for his accommodation was something that he couldn't get back. As although he might not have been able to receive a cash refund for the booking, I didn't think he'd established that this was an expense he couldn't get back through a credit note to be used against a later booking.

However, since issuing my provisional decision, Mr K has been back in touch with the accommodation provider. It's confirmed that it initially offered a credit note for all bookings affected by Covid-19 until August 2020. And that this was extended to the Autumn of 2021. However, it won't be extending this further. I'm satisfied that Mr K hasn't had use of the credit. Given the impact of Covid-19 and on international travel – at least up until mid-2021 - I'm satisfied that Mr K would've had limited opportunity to have used the credit for the accommodation.

Whilst I don't think Mapfre has acted unfairly by awaiting further evidence about the accommodation expenses before deciding this claim, I'm now satisfied that the unused accommodation costs is an expense which Mr K has been unable to get back under the cancellation section of the policy.

Putting things right

I direct Mapfre to reconsider Mr K's claim for the unpaid accommodation in line with the other terms of the policy on the basis that it is an irrecoverable expense he incurred.

My final decision

I partially uphold Mr K's complaint and direct Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 6 March 2023.

David Curtis-Johnson
Ombudsman