

## **The complaint**

Mrs N is unhappy with the decision AXA Insurance UK Plc made on a claim under her travel insurance policy.

## **What happened**

Mrs N has explained that in March 2021 she needed to travel abroad to visit a poorly family member. So, she contacted AXA, to check some details of her cover. She wanted to make sure she was covered for issues related to the Coronavirus pandemic. Mrs N says she was assured she was covered. So, on 30 March 2021 she travelled abroad. With a return flight booked for 30 April 2021.

However, on 8 April 2021 Mrs N received an email from the airline provider she'd booked her return flight with. It explained that the flight was cancelled. In addition to this, UK government guidance around the Coronavirus pandemic changed. From 9 April 2021, anyone returning to the UK from the country Mrs N was in, would need to quarantine for ten days.

As Mrs N couldn't take her original flight home, Mrs N said that until 27 May 2021, she extended her stay with family – staying on people's sofas. But, on 27 May 2021 there was still no sign of her being able to secure a flight home. And it was no longer possible for her to stay with relatives.

So, she contacted her insurer to make a claim – including for accommodation costs, whilst she had to stay abroad.

Mrs N said AXA told her she was covered under her policy for up to £5,000 worth of accommodation because of her extended stay. As well as funds for her new flight back to the UK. So, she was reassured by this.

Mrs N also said she raised concerns about needing to quarantine in the UK, when returning from the country she was in. She suggested to AXA that she could return to the UK via a stay in a third country, so she didn't need to quarantine. Mrs N said AXA told her it would consider this cost too.

But Mrs N says that following this, AXA contacted her again, and changed its mind on what it would consider.

AXA said at this point that it would consider costs for her accommodation abroad, until 5 June 2021, the £250 travel disruption benefit under the policy, and the cost of a new flight to return to the UK, minus any refund for the original cancelled flight. These costs would be subject to the £75 excess on the policy.

But AXA told her it wouldn't consider costs for any accommodation abroad, following 5 June 2021. It said there was a flight route back to the UK on this date, from the country Mrs N was in. So, Mrs N would need to arrange to fly home on this date. AXA also told Mrs N that if she did not return to the UK, cover under her policy would cease at that point.

Mrs N didn't think this was fair. She said she couldn't find a return flight to the UK on 5 June 2021. And she said she would need to quarantine by returning home that way – which was something she couldn't afford to do. AXA's position on the matter didn't change.

Mrs N took the decision to fly home, via a third country. She flew to that third country on 10 June 2021 and stayed in that country with a relative for 10 days. Mrs N explained this had cost her the flight to the third country, and then back to the UK. As well as other transport costs.

As Mrs N was unhappy with AXA's position on the matter, she raised a complaint with it. AXA maintained its decision. Mrs N remained unhappy with this. So, she referred her complaint to this service for an independent review.

Our investigator considered this complaint. They noted that Mrs N had cover under her policy for travel disruption – where her return flight had been cancelled by the airline. They said that based on the policy terms it was fair and reasonable for AXA to provide Mrs N for settlement of her accommodation between 29 May 2021 and 5 June 2021, when Mrs N could have returned to the UK.

Our investigator noted it was reasonable that AXA didn't provide a settlement for Mrs N's cancelled flight. This was because she had received a refund for the flight from its operator. In addition to this, our investigator noted that AXA had acted fairly in not providing any settlement for costs related to Mrs N's decision to return to the UK via a third country. They said the policy didn't provide cover for this.

AXA accepted our investigator's view and agreed it would provide settlement to Mrs N for her accommodation costs between 29 May 2021 and 5 June 2021. Mrs N responded and didn't agree.

As Mrs N didn't agree, this complaint has been referred to me to decide.

I issued a provisional decision to the parties. 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 in part.*

*When deciding this, I've considered the relevant law, rules and industry guidelines. The relevant rules, which are set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it.*

*I've also reviewed Mrs N's policy documentation. And I can see the policy does provide cover for travel disruption – including when on the way home from a trip. This section of the policy explains that:*

- AXA will pay up to £5,000 for reasonable additional travel and accommodation costs which are of a similar standard to that of pre-booked accommodation. That can't be claimed back from any of source. If the public transport Mrs N was booked on to travel home was cancelled for at least 12 hours.*
- It provides up to a maximum of £250 if the public transport Mrs N was booked on to travel to her home area was cancelled or delayed, by at least 12 hours, providing Mrs N returned to her home on the next available suitable public transport.*

*As is common with insurance policies of this nature, there are exclusions to cover. AXA hasn't raised that any of these apply. So, I've thought about whether AXA acted reasonably in how it dealt with Mrs N's claim, against the above terms of the policy.*

*As above, AXA agreed, following our investigator's assessment, to pay Mrs N's claim for her accommodation costs, between the period of 29 May 2021 and 5 June 2021, in line with the policy terms which say it will pay for reasonable additional accommodation costs, where Mrs N's flight was cancelled. As AXA has agreed to pay these costs, I don't need to consider this element any further – it isn't in dispute.*

*Instead, I've needed to consider the costs the remain in dispute. And whether AXA has acted fairly and reasonably, in respect of those. Having done so, I'm satisfied AXA has acted fairly and reasonably, when declining to provide settlement for any other costs. I've explained this under the relevant, separate headings, below.*

*Accommodation costs between 6 June 2021 and 10 June 2021*

*AXA has said that the costs Mrs N has submitted, for accommodation following 5 June 2021, aren't something they could consider under the policy. It said this was because Mrs N was able to return to the UK on 5 June 2021 but didn't.*

*I've thought about AXA's position here. And I'm satisfied it's fair.*

*Mrs N's policy provides cover for reasonable additional accommodation costs. Once Mrs N was able to take a flight home, costs following the date of the return flight don't need to be incurred and are no longer reasonable.*

*AXA has provided a copy of a flight provider's webpage, showing a flight that would take Mrs N home to the UK was available on 5 June 2021. And it's provided a copy of an email it sent to Mrs N, showing that it told Mrs N about this flight. So, I'm persuaded that it's more likely than not, that Mrs N could have returned home at that time.*

*Given the above, I don't require AXA to pay anything for the accommodation costs between 6 June 2021 and 10 June 2021.*

*Travel via third country*

*On 10 June 2021 Mrs N travelled to a third country. She stayed there for 10 days, before continuing her journey back to the UK, so she wouldn't have to quarantine. Mrs N has said AXA should provide settlement for the costs she incurred in relation to this. She has said this was the most cost-effective way for her to return home.*

*I appreciate Mrs N's point that returning to the UK, without staying over in a third country, would have meant costs incurred for having to stay in quarantine, as per the government rules at the time.*

*But I've explained above why I'm satisfied AXA acted fairly in expecting Mrs N to return to the UK on 5 June 2021. As it was fair, I don't find AXA acted unreasonably in saying it wouldn't cover costs Mrs N incurred, in choosing to travel elsewhere.*

*Mrs N's policy doesn't provide cover for quarantine costs. So, I acknowledge that costs for Mrs N needing to quarantine wouldn't have been covered, if she had followed AXA's advice and taken a return flight on 5 June 2021. But it wasn't AXA's responsibility to help pay for these or help Mrs N avoid these costs. And as Mrs N's policy doesn't provide cover for these costs, I'm satisfied AXA don't need to do anything more in this respect.*

#### *Return flight to the UK*

*Prior to Mrs N travelling to a third country, AXA told Mrs N that it would consider the cost of a new flight for her to return to the UK, minus any refund she got from the airline provider, for her original cancelled flight. I think this was fair, because Mrs N's policy says it will cover any additional, reasonable, travel cost Mrs N incurred due to the cancellation of her flight.*

*But Mrs N didn't end up travelling straight home. She stayed somewhere else for a prolonged period first. As above, I'm satisfied AXA acted fairly in saying travelling to a third country was something it wouldn't pay for.*

*But I am aware that if Mrs N hadn't travelled to a third country, AXA would have needed to have provided a settlement to Mrs N, for her flight back to the UK, if it cost her more than her original one. So, I've thought about whether it would be fair and reasonable for AXA to pay anything here, for Mrs N's return home. But I don't think it would be.*

*The reason I say that is because Mrs N has confirmed she received a refund for her original flight home. And, that she used some of this refund to purchase her flight from the third country to the UK. So, I'm aware Mrs N didn't incur an additional cost in respect of this. So, I don't require AXA to do anything here either.*

#### *Other costs/benefits*

*Lastly, I've considered whether has acted reasonably in not paying Mrs N any other costs. And I don't think it has. I can't see that Mrs N has met the policy terms for any additional costs.*

#### *Customer service*

*Mrs N has said the service she received from AXA was poor. She has said that before she travelled abroad, she was told she would be covered under her policy, for all eventualities.*

*Before Mrs N travelled abroad, I'm aware she contacted AXA to check whether she had cover on her policy. Mrs N spoke to a representative on 22 March 2021. I haven't been able to listen to this call. So, I don't know what was said during this time. But I haven't seen evidence which persuades me that Mrs N was told all eventualities would be covered. All insurance policies have terms and conditions attached to them. And so, I think it unlikely Mrs N would have been told otherwise.*

*I've also listened to a call recording from the following day, 23 March 2021, which was still before Mrs N booked her trip abroad. In this, Mrs N was explained she wanted to check a few things about her policy. She didn't ask about quarantine costs or travelling home through a third country for example. Mrs N's question was around what bank card she is able to use to book her trip. And the advisor said Mrs N could use any card, as this wouldn't impact her insurance. The representative then goes on to detail what cover the policy provides in terms of Coronavirus, which was correct.*

*During this call, AXA doesn't detail all of the policy terms and exclusions. But I wouldn't expect it to do this in any of the conversations it had with Mrs N before she went abroad. It wouldn't be possible for AXA to do this. These are contained in Mrs N's policy documentation. Given this, I don't think AXA did anything wrong at this stage.*

*When Mrs N came to claim, Mrs N has said she was given information about what was covered by AXA, and it later changed its mind.*

*So, I've considered the evidence provided, from when Mrs N made her claim, on 27 May 2022. I've listened to a call recording, as well as referred to AXA's contact notes. From considering these, I'm aware that the AXA representative told Mrs N that quarantine costs for returning to the UK wouldn't be covered. So, I'm satisfied it made it clear to Mrs N that these quarantine costs wouldn't be settled by it from the point she made her claim.*

*During the conversation on 27 May 2021, Mrs N asked AXA if she could travel home via a third country. AXA's representative didn't confirm this would be covered. Rather, the representative said they would check whether this was an option. And the contact notes detail that when it told Mrs N this might be something it was able to consider.*

*The advisor followed this conversation up with an email and told Mrs N was told she would need to contact AXA to discuss any travel through a third party before booking it – and AXA would consider it at the time. So, I'm satisfied AXA didn't provide misleading information, that led Mrs N to act in a certain way – such as deciding to travel through a third country.*

*And shortly after, on 1 June 2021, Mrs AXA contacted Mrs N. It told her it had found a flight Mrs N could take home on 5 June 2021. But I don't think AXA was changing its mind from a fixed position, or that it acted unreasonably by doing this. The ability to travel, as a result of Coronavirus, was changing rapidly at the time. And AXA was doing what it should have, by letting Mrs N know there had been a development, and she could fly home.*

*There is however a suggestion that AXA had told Mrs N it would pay the £250 travel disruption benefit, before settling the rest of the claim. AXA did alter its position on this, noting it needed the remainder of the claim submitted first, and apologised to Mrs N for this confusion. I can appreciate this would have been frustrating for Mrs N. But I don't think the frustration here is sufficient to require AXA to do anything more in this respect. It was a minor error, with little impact on the situation as a whole. So, I think AXA's apology was fair and reasonable. “*

Neither party responded to my provisional decision.

### **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 that I uphold this complaint in part.

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 in part, and require AXA Insurance UK Plc to:

- Settle Mrs N's accommodation costs for her extended stay abroad between 29 May 2021 and 5 June 2021.
- Pay Mrs N 8% interest, simple per annum, on this amount from the date of claim to the date of settlement, less any tax properly deductible, to take into account that Mrs N has been without these funds, which should have been settled earlier.

If HM Revenue & Customs requires AXA to deduct tax from this interest, AXA should give Mrs N a certificate showing how much tax its deducted, if they ask for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 22 March 2023.

Rachel Woods  
**Ombudsman**