

## **The complaint**

Mr and Mrs O are unhappy with how Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A handled a claim they made under the travel insurance policy.

## **What happened**

Mr and Mrs O purchased a single trip travel insurance policy, to cover them for a trip between 12 August 2021 and 07 September 2021. The policy provided cover for various pre-departure and post-departure risks.

Mr and Mrs O have explained they were due to travel to country A first and enjoy time there. And then fly onwards to country B, to visit family. The rationale for holidaying in country A first, was so they could enter country B. This was because at the time Mr and Mrs O were planning on travelling, country B wasn't allowing anyone to enter the country if they had been in the UK in the preceding 14 days. Travelling to country A first meant they could enter country B.

However, around a week before Mr and Mrs O were due to travel to country A, it went onto the Foreign Commonwealth and Development Office's (FCDO) 'red list'. That meant it wasn't possible to travel to country A any longer. And therefore, Mr and Mrs O couldn't travel to country B either. So, Mr and Mrs O were no longer able to take their trip at all.

On discovering this, Mr and Mrs O contacted a claims line for their travel insurance policy. Mr and Mrs O have said they were told by a representative on this claims line to accept any offers from the airlines to rebook their flights or any offers to provide vouchers in exchange for travelling on the original flights. So, Mr and Mrs O said that's what they did.

Mr and Mrs O rebooked some of the flights to travel at another point instead. But, when it became clear it wasn't going to be possible to travel then either, they submitted a claim under their travel insurance policy.

Mr and Mrs O explained their claim was for £1,051.67. This was based on the following:

- 1) £462.72 worth of flight rebooking fees.
- 2) £304.31 for the cost of a flight they couldn't take or receive a refund for.
- 3) £284.99 for a flight they were provided a voucher for, but the voucher expired before it was possible to use it, given government restrictions.

Mapfre considered the claim, and in November 2022, offered Mr and Mrs O a settlement of £399.30. They said this was for the losses noted in numbers two and three above, minus the applicable policy excess. Mapfre didn't provide any settlement for the flight rebooking fees – noting those weren't something covered by the policy.

Mr and Mrs O didn't think this was fair. They said when discussing the claims settlement with Mapfre, they were told they'd received incorrect advice when they originally called the claims line. Mr and Mrs O said they'd been told that if they hadn't rebooked some flights and accepted vouchers for others, their whole holiday cost would have been covered under their

policy. The whole holiday cost being £2,197.74. And they wouldn't have incurred booking fees either.

Mr and Mrs O therefore considered the insurer should be providing them with the cost of their original holiday, and the rebooking fees, instead of £399.30.

Mapfre considered its claims settlement to be fair. But it did offer Mr and Mrs O £100 compensation for the distress and inconvenience delays in handling their claim caused. Mr and Mrs O remained unhappy with Mapfre's position on the matter. 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. They said the cancellation section of Mr and Mrs O's policy covered them for unused costs only. And, as Mapfre had paid for the cost of an unused flight, and an unused flight voucher, it had acted fairly, and in line with the terms and conditions of the policy when settling Mr and Mrs O's claim.

Our investigator also noted that the policy didn't provide cover for rebooking fees. So, they didn't think Mapfre had acted unfairly by not settling these costs.

Our investigator also noted that the £100 compensation Mapfre had paid them was fair and explained that they didn't hold Mapfre accountable for any information Mr and Mrs O were provided when calling the claims line.

Mr and Mrs O didn't agree and raised concerns about how the claims line had acted.

Our investigator responded to these points and maintained their position. They said Mapfre wasn't responsible for any action taken by the claims line, which our investigator considered was answered by an insurance broker, who was a separate entity to Mapfre. In addition, our investigator said that, looking at the terms and conditions of Mr and Mrs O's policy, their policy didn't provide cover for cancellation when the loss arose because of government restrictions. So, they didn't consider Mapfre needed to provide any further settlement anyway.

Mr and Mrs O raised several further points. And reiterated that a Mapfre advisor they'd spoken to in November 2022 had told their full claim would have settled if they hadn't accepted vouchers and rebooked flights. They felt more weight should be given to that when this service arrived at an outcome.

Because Mr and Mrs O didn't agree with our investigator's outcome, 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 deciding the claim settlement of £399.30, and the compensation of £100 is fair. I'm not intending on requiring Mapfre to do anything more than this.*

*I understand this will be a disappointment to Mr and Mrs O. But I'd like to reassure them I have considered all submissions when coming to my provisional decision. I've explained my provisional decision below – but only made reference to information and evidence where I consider it necessary to explain my reasoning.*

### Claim settlement

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, and not unreasonably decline it. So, I've thought about whether Mapfre acted in line with these requirements, when it agreed to settle only £399.30 for Mr and Mrs O's claim.

I've also reviewed Mr and Mrs O's policy documentation. From doing so, I can see that there is cover for the cancellation of a trip, in certain circumstances. The cancellation section of the policy notes that:

"We will pay **You**, up to the amount shown in the **Policy Schedule**, for any non-refundable unused travel and accommodation costs and other pre-paid charges (including sports, concert and entertainment tickets) which **You** have paid or are contracted to pay together with any reasonable additional travel expenses incurred if....

a) Cancellation of the **Trip** is necessary and unavoidable.....

As a result of one of the following events occurring."

This section then goes on to list events such as illness, compulsory quarantine or redundancy. As is usual with policies of this nature, if the reason for the trip cancellation isn't listed under this section, then the claim isn't covered.

Mapfre has accepted £399.30 of Mr and Mrs O's claim, as covered under the cancellation section. Settling flight costs Mr and Mrs O noted in their claim form that were non-refundable. As Mapfre has accepted this element of the claim, and this isn't in dispute I haven't needed to consider this element any further. Instead, I've needed to consider those elements which remain in dispute.

I've considered Mr and Mrs O's claim form. And apart from the above flights Mapfre provided settlement for, Mr and Mrs O claimed for £462.72 worth of rebooking fees. These costs remain in dispute. Mapfre has said these aren't covered under the policy. I've thought about whether Mapfre acted fairly in deciding not to cover these. And I'm satisfied it did.

I say this because the cancellation section, explains that the following isn't covered under the policy:

"The cost of any recoverable air passenger duty (APD) charges made by a scheduled airline as part of **Your** booking, ATOL protection fees and any administration fees included in the cost of the flight booking or refund process."

I'm satisfied that rebooking fees fall into the above, as they are administration fees included in the cost of flight booking. So, I don't think Mapfre did anything wrong in declining to settle these costs.

I understand Mr and Mrs O don't think this is fair. Specifically, because when they spoke to the claims line they called in August 2021, they were told to rebook flights or accept vouchers where this was offered to them. So, they felt it's reasonable for the rebooking fees to be covered. I've thought about this carefully. But I don't agree that means the rebooking fees ought to be covered by Mapfre.

Mr and Mrs O have said they recently called the claims line they rang in August 2021. And were told that a party called T had been responsible for answering the claims line at that

time. Mr and Mrs O consider that T had answered on behalf of Mapfre. I think it answered on behalf of Mapfre too – working as an administrator on behalf of it.

But that doesn't mean to say I think T did anything wrong during this call. Or that it means Mapfre should pay for rebooking fees, outside the terms of the policy. I haven't been able to listen to the call between T and Mapfre. Mapfre says it doesn't have the recording. So, I've needed to consider what I think is most likely to have happened here.

Mr and Mrs O said they were told to accept vouchers or rebook their flights. And I accept it is likely they were told that. I say this because an insurance policy of this nature doesn't generally provide cover for costs refundable (recoverable) elsewhere. So, Mr and Mrs O would have needed to have made use of the refund and rebook options they were given by the airlines. Given this, I don't think it's fair to say the information provided on this call was wrong. And I've no evidence to show that Mr and Mrs O were told that if they then couldn't go on the trip at a later date, rebooking fees would be covered by the policy. So, I don't think it's likely they were given misinformation. And I don't think Mapfre need to pay Mr and Mrs O for the rebooking fees they incurred.

Mr and Mrs O have said a Mapfre representative has told them something different. They said the Mapfre representative told them that if they hadn't accepted vouchers or rebooked their flights, they would have been able to claim for the flight costs associated with the whole of their original trip. They said they have therefore been disadvantaged by following the information given to them in August 2021.

I've also considered this point. I haven't listened to this call either. But I don't think I need to. Because even if I accept Mr and Mrs O were told this by a Mapfre representative, I don't think it changes the outcome of the claim. That's because I've considered the policy terms, and I'm satisfied they never would have provided cover for the whole of the original flight costs.

The cancellation section of the policy explains:

***“What is not covered***

***Cancelling or curtailment of Your trip due to:*** (a) restrictions implemented by any government or administration; or (b) actions taken by a transport or accommodation provider; if those restrictions or actions relate to a pandemic illness (as declared by the World Health Organisation), including Coronavirus disease (COVID-19) or severe acute respiratory syndrome coronavirus (SARSCOV-2) or any mutation or variation of these.”

Mr and Mrs O's trip was cancelled as a result of restrictions implemented by the government, in relation to Covid-19. So, I can see the policy doesn't cover cancellation for this reason – including for their original flights. I know Mr and Mrs O feel more weight should be given to what Mapfre told them about being able to claim for all of the original flights. But I don't agree. The insurance contract are the terms the cover is based on and was agreed to. So, I don't think I could fairly require Mapfre to pay any additional amount under the policy, given it would never have been covered.

***Claim delay***

Mr and Mrs O have also raised the time taken for Mapfre to progress their claim. So, I've considered this element of their complaint too. As above, Mapfre had a duty to progress Mr and Mrs O promptly and fairly. Mapfre has accepted it didn't do this – and offered £100 compensation in this respect.

*I agree that Mr and Mrs O's claim took a long time to progress. Mr and Mrs O made their claim in February 2022 and didn't receive any form of outcome on their claim until November 2022. I can see how having to wait this length of time would have been troubling, and inconvenient. So, I've thought about what a fair and reasonable resolution to this element of the complaint is.*

*And I'm satisfied the £100 compensation already offered is fair. I say this because I think it acknowledges that whilst the open claim wasn't affecting Mr and Mrs O's day-day-day life, it was troubling having the claim outstanding. And inconvenient that they needed to chase an outcome."*

Mapfre responded and accepted my provisional decision. Mr and Mrs O responded and didn't agree. In summary, Mr and Mrs O referred to the phone calls they had with Mapfre on 6 August 2021 and 18 November 2022. They said they were given incorrect advice on the phone call in August 2021 and lost out because of it. And the phone call on 18 November 2022 evidenced this. So, they considered the call on 18 November 2022 should be listened to.

Mr and Mrs O also questioned whether an insurer, who gives poor advice should be bound to compensate the customer for the bad advice.

### **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 decision remains that the claim settlement of £399.30, and the compensation of £100 is fair, for the same reasons as noted in my provisional decision.

As my decision remains the same, I haven't detailed it all again here. But instead, commented on parts of Mr and Mrs O's response to my provisional decision, where I consider this necessary. I haven't commented on every part of this submission. But this isn't intended as a discourtesy. Instead, it reflects the information nature of this service.

Mr and Mrs O referenced our investigator's outcome in response to my provisional decision. But it's important to note that my provisional decision is based on my own review of this case, and all of the information within it. And it supersedes that of our investigator's opinion. So, I haven't commented on our investigator's outcome any further.

Mr and Mrs O have referred to the call they had with Mapfre on 6 August 2021, and the information contained within this call. As detailed in my provisional decision, I accept that Mapfre are the party responsible for the contents of this call.

I also accept that it's likely Mr and Mrs O were told by Mapfre (it's representatives) that they should accept vouchers or rebook their flights. But I don't agree this was incorrect information. As above, an insurance policy doesn't include costs refundable elsewhere. So, on realising Mr and Mrs O couldn't take their trip as planned, they would have needed to make use of any refunding or rebooking options they were given by the airlines. So, accepting what Mr and Mrs O have said about this call, I don't think they were given the wrong advice. This is the information I would have expected them to have been given.

As noted in my provisional decision, I haven't seen any evidence Mr and Mrs O were told rebooking fees would be covered under the policy either. So, I can't see they were given wrong information in that respect either. I appreciate Mr and Mrs O have said an insurer should be responsible for putting a situation right, if they gave wrong information. But as I

don't think Mapfre gave incorrect information in August 2021, it follows that Mapfre don't need to pay anything further.

Mr and Mrs O have said this service should listen to a recording of the call from 18 November 2022, between Mr and Mrs O and Mapfre. But I'm satisfied I don't need to. That's because even if Mr and Mrs O were told in this call that they would have been able to get their original flight costs back if they didn't follow the advice given in August 2021, I can see that's not correct. So, I don't think Mr and Mrs O have lost out as a result of Mapfre's actions in August 2021.

The terms of the policy don't provide cover where a trip was cancelled due to government implemented restrictions. And that was the reason for the cancellation in Mr and Mrs O's case. So, I'm satisfied there was no cover under the policy for the whole of the original flight costs. What Mr and Mrs O have said they were told on the call in November 2022 doesn't alter this. Mr and Mrs O had followed the information given to them in August 2021, and this wasn't wrong. And Mapfre's ultimate decision on the claim was fair and reasonable, and in line with the contract of insurance.

### **My final decision**

Given the above, my final decision is that Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A's claim settlement of £399.30 is fair and reasonable, as is the £100 compensation offered. So, I don't require Mapfre to do anything more in respect of this complaint.

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

Rachel Woods  
**Ombudsman**