

## **The complaint**

Mrs and Mr G complain about Euroins AD's settlement of their travel insurance claim and about the emergency assistance it gave. My references to Euroins include its agents.

## **What happened**

Mrs and Mr G had an annual travel insurance policy, Euroins was the insurer. They booked a special holiday abroad and were due to spend time in one location between 8 to 12 September 2022 and then move to another location from 12 to 19 September 2022.

Unfortunately on 9 September 2022 Mr G fell and the hospital diagnosed a fractured hip. The hospital doctor gave Mr G a fit to fly certificate and told him not to put any weight on his leg and that he would need a wheelchair. Mrs and Mr G contacted Euroins the same day to tell it about the situation and to ask for help to return home early. They sent the medical report to Euroins on 10 September 2022 and they made numerous calls to Euroins to try to find out what was happening. On 13 September 2022 Euroins repatriated Mrs and Mr G to the UK.

Mrs and Mr G claimed on the policy for medical costs, costs as a result of Mr G's injury and the costs of their unused holiday.

Euroins accepted the curtailment claim but only paid some of the costs. It wouldn't pay the taxi costs, as there were no receipts, or the hotel tax and hotel room service fees which it said the policy didn't cover. It paid the curtailment claim on the basis that 6 days were lost from the 11 day holiday as it said under the policy terms curtailment was only from the day Mrs and Mr G returned home.

Mrs and Mr G complained to Euroins about its emergency assistance service and claim settlement. Euroins said it had correctly settled the claim and made no comment on the service issues Mrs and Mr G raised.

Mrs and Mr G complained to us. in summary they said:

- They made many calls and sent emails to Euroins from 9 September until 13 September trying to get help. On many occasions after Euroins' recorded phone message the line either went to engaged or just rang out. At other times Euroins told them it would call back but rarely did so.
- They felt helpless with no wheelchair for Mr G and 'virtual prisoners' in the hotel room which was a very stressful and upsetting time. Mr G had to go to a pharmacy to buy crutches.
- They found flights to their local UK airport for 10 September but Euroins told them they had to wait until it received medical advice as to whether Mr G needed a medical escort to accompany him home.
- They were only told on the morning of 13 September that they would be flying home later that day. Euroins said it would book two extra plane seats to give them more room on the plane but the seats weren't together. When they arrived at the airport they were asked to pay extra for their baggage as that hadn't been booked in advance by Euroins.

- For the curtailment claim Euroins had unfairly counted the days they were confined to the hotel room waiting for it to repatriate them as them being on holiday. It had also made an equal division of the costs not taking into account the more expensive accommodation at the second location and the excursions they had booked.
- The hotel service charges should be covered as they had no choice but to order room service, they hadn't claimed for food. The hotel tax was part of the cost of the room and they had to take taxis.

Our investigator said Euroins had unfairly settled the claim. She recommended Euroins pay the curtailment claim from 9 September 2022 and the settlement should take into account the amounts Mrs and Mr G paid for each part of the trip. Interest should be added to the additional settlement payment and Euroins should pay Mrs and Mr G £100 compensation for their distress and inconvenience due to its poor service.

Mrs and Mr G accepted our investigator's recommendation. Euroins didn't respond so the complaint has been passed to me to decide.

### **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.

The relevant regulatory guidelines say insurers must handle claims fairly and promptly and mustn't unreasonably decline a claim.

I uphold this complaint as I think Euroins unreasonably settled Mrs and Mr G's claim and didn't fairly and promptly handle their claim. I'll explain why.

The policy says under the 'cancellation and curtailment' section:

*'We will pay you up to the amount shown in the summary of cover for the unused portion of Your travel and accommodation costs that you have paid or contracted to pay and you suffer a financial loss because you cannot get a full refund if you cancel before the start of your trip or cut Your trip short and return home early during the period of insurance because of the following:*

*the death, bodily injury or illness of you, your travel companion...'*

Under the strict interpretation of the policy terms Euroins correctly applied curtailment from the date Mrs and Mr G returned home.

But I also consider what's fair and reasonable in all the circumstances. I'm satisfied that Mr G was medically advised not to put any weight on his leg following his injury, he didn't have a wheelchair and that from the date of his injury, 9 September 2022, he was confined to his hotel room until he returned home. So I think it's reasonable for me to say that Mrs and Mr G's holiday was effectively curtailed from the 9 September 2022.

The policy says that Euroins will pay the costs that have been paid by Mrs and Mr G so I see no reason why the curtailment calculation from 9 September shouldn't take into account the more expensive costs Mrs and Mr G paid for the second part of their trip, which they couldn't take.

Mrs and Mr G say the hotel tax they paid was part of the overall cost of the room and I haven't seen any evidence from Euroins to dispute that. So I think Euroins should include the hotel tax as part of the payment Mrs and Mr G made for their accommodation when it recalculates the settlement for curtailment.

I think Euroins reasonably declined to pay the hotel room service fee. I understand why Mr G wasn't able to leave the hotel room but I haven't seen any evidence to show that Mrs G was unable to leave the room to bring back the food for her and Mr G.

I also think Euroins reasonably declined to pay for the taxis. Under the policy terms, and reasonably, Euroins requires a receipt to evidence the cost claimed and I haven't seen that Euroins received a receipt for Mrs and Mr G's taxi costs.

Overall, I think it's fair and reasonable for Euroins to pay Mrs and Mr G's curtailment claim from 9 September 2022, taking into account my above points, and subject to the remaining policy terms and conditions. The additional settlement should be paid to Mrs and Mr G plus interest as I've detailed below.

As to service, I can see from Euroins' emergency assistance notes that Mrs and Mr G were in frequent contact trying to find out what was happening about their return home and they were worried and stressed about the lack of updates. Euroins hasn't disputed that it should have given better service. Mrs and Mr G were further frustrated when they arrived at the airport to find the luggage situation and that the extra plane seats Euroins booked weren't together, so of no use to them unless another passenger swapped seats.

Mrs and Mr G told Euroins there was an available return flight on 10 September 2022. But that was the same day Euroins received Mr G's medical report. I think Euroins reasonably wanted to consider the medical evidence, confirm cover and see if Mr G needed a medical escort before it could finalise arrangements to repatriate Mrs and Mr G.

Mrs and Mr G have accepted our investigator's recommendation that Euroins should pay £100 compensation for their distress and inconvenience due to its poor service. Euroins hasn't disputed that it should pay compensation. I'm satisfied that £100 compensation is a reasonable amount to acknowledge the distress and inconvenience Euroins' poor service caused Mrs and Mr G

### **Putting things right**

Euroins must recalculate and pay Mrs and Mr G's curtailment claim with the curtailment starting from 9 September 2022, including the hotel tax as part of the accommodation cost and taking into account the amounts Mrs and Mr G paid for each part of the trip, subject to the remaining policy terms and conditions. Interest must be added to the additional settlement payment as I've detailed below.

Euroins must also pay Mrs and Mr G £100 compensation for their distress and inconvenience due to its poor service.

### **My final decision**

I uphold this complaint and require Euroins AD to:

- recalculate and pay Mrs and Mr G's curtailment claim with the curtailment starting from 9 September 2022, including the hotel tax as part of the accommodation cost and taking into account the amounts Mrs and Mr G paid for each part of the trip, subject to the remaining policy terms and conditions. Interest\* must be added to the additional settlement payment at 8% simple a year from the date of claim to the date of the additional settlement, and
- pay Mrs and Mr G £100 compensation for their distress and inconvenience due to its poor service.

\*If Euroins AD considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mrs and Mr G how much it's taken off. It should also give Mrs and Mr G a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 24 July 2023.

Nicola Sisk  
**Ombudsman**