

The complaint

Mr G complains Coverwise Ltd mis-sold him a travel insurance policy, and his claim was declined by the insurer as a result.

What happened

Mr G and his family held an annual travel insurance policy purchased through Coverwise.

On 17 March 2020, Coverwise sent an email to existing policyholders, advising on Covid-19 cover. In summary it said trips already booked were covered for necessary and reasonable cancellation due to Covid-19. And it said the insurer had extended the cancellation cover to include government advice against travel for trips booked before 17 March 2020. It confirmed cover for emergency medical expenses, loss of money and baggage would remain in force.

In April 2020, Mr G received an email from Coverwise about renewing his travel insurance. He'd held an annual cover policy for the previous year and was provided with a quote for renewal.

Mr G called Coverwise to discuss the renewal. He asked if there would be a difference in the premium if he took cover for Europe only and removed the USA. Coverwise's agent asked Mr G if he had received an email about Coronavirus, which had been sent to all policyholders. Mr G said he didn't think he'd received it, but expected it would say that claims as a result of Covid-19 wouldn't be covered. The agent said that would be the case for trips booked after 17 March 2020. But said cover would remain in place for any trips booked before 17 March 2020, if the cover was renewed.

The agent didn't give any more information about Covid-19 in this call and Mr G didn't ask any questions about this. And he renewed the policy.

In August 2020, Mr G and his family travelled abroad. They decided to curtail their trip and return to the UK early, as the UK government put self-isolation rules into place for those arriving to the UK from certain countries. Mr G and his family would have been required to self-isolate for 14 days if they returned on their original dates; and said they would have been unable to do this for several reasons. So they returned home early, incurring additional travel costs and losing several days of their holiday.

Mr G made a claim for his curtailment costs and the insurer declined it. He complained to Coverwise and said he'd expected his claim to be covered. He said he'd not been sent the email of 17 March 2020, so thought the policy had been mis-sold to him.

Coverwise said it'd sent its email to Mr G's correct email address and there was no evidence to suggest this hadn't been delivered. It said the reason for Mr G's claim was wanting to avoid the need to self-isolate on arrival back in the UK. And it said this was not something which was detailed within the email sent to policyholders in March 2020. And a claim of that nature wasn't covered under Mr G's original policy or under his renewed policy.

Unhappy with the response, Mr G brought his complaint to this service. He said he thought Coverwise should pay the cost of his curtailment claim. An investigator here looked into what had happened and said they didn't think Coverwise was responsible for Mr G's claim, as the circumstances weren't covered. But they thought Mr G should be paid £150 for the distress and inconvenience caused.

Coverwise accepted the investigator's view and recommended compensation. However, Mr G disagreed and asked for a decision from an ombudsman. He said if Coverwise hadn't highlighted the cover for Covid-19, he more than likely would not have renewed the policy. And he said he would have cancelled his holiday, losing the £100 deposit.

So, the case 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.

Coverwise didn't give Mr G advice about whether the policy was suitable for his demands and needs. So, the relevant rules and industry guidelines say, in summary, that Coverwise had a responsibility to give him enough information about the policy to decide if it was right for him. That includes giving him information which was clear, fair and not misleading.

Following the sale of the policy over the phone, Coverwise needed to send Mr G a copy of the policy documents. And I'm satisfied it met this obligation. However, Mr G has concerns that he was not provided with enough information about the cover related to Covid-19.

Coverwise has shown Mr G was sent an email as an existing policyholder, on 17 March 2020, providing information clarifying the cover in place for trips booked prior to this date. And it said it has no record of the email being undelivered. However, Mr G told Coverwise he'd not received the email, so I think it's reasonable to expect it should have re-sent the information.

I know Mr G feels strongly that Coverwise mis-sold the policy by not providing a copy of the email. And because of this, wants Coverwise to pay the cost of his curtailment claim. So I've gone on to consider what the impact of Coverwise not re-sending this email was. And what I think is most likely to have happened, had Coverwise provided a copy.

In his complaint, Mr G said he thought he'd been mis-sold the policy as he'd been told about the Covid cover during the phone call, but was not sent the email, so he was disadvantaged by this. The email confirmed the cover contained within the policy wording would still apply to trips booked prior to 17 March 2020. Mr G booked his trip before 17 March 2020, and he was told on the call that this would still be covered in relation to Covid-19. So, I don't think he was disadvantaged in his particular circumstances, by not having sight of this email, as he was still sent the full terms and conditions of the policy.

The email Coverwise failed to re-send to Mr G didn't advise on any specific or unusual policy exclusions or limitations. It was confirmation that the existing cover provided by the policy would still stand for claims related to Covid-19, for trips booked before 17 March 2020. As such, having been told over the phone that trips already booked would still be covered, I don't think there was anything additional in that email which was relevant to the circumstances of Mr G's claim, or that would have led him to making a decision to cancel his pre-booked holiday.

Whilst I think Coverwise should have provided Mr G with a copy of the email when he asked for it, this doesn't automatically mean his policy was mis-sold. I'm not sufficiently persuaded, had Mr G seen the contents of the 17 March 2020 email, that he would have cancelled his holiday pre-booked for August 2020 and wouldn't have renewed his policy. I say this because I think Mr G is exercising some benefit of hindsight and I'll explain why.

When Mr G called Coverwise, he said he wanted to know how much his renewal premium would be if he amended the destinations covered. This was before any discussion of Covid-19, and so I think it's reasonable to say Mr G called with an intention to renew his policy. And, at that time in April 2020, the government's quarantine rules had not been put in place or publicised. So, Mr G couldn't have known he might need cover for cutting a trip short to avoid self-isolation requirements in the UK. For these reasons, I don't accept Mr G would have cancelled his holiday and not renewed the policy had he been shown the content of the March 2020 email. And as such, I'm not persuaded the policy was mis-sold.

However, I am satisfied Coverwise caused Mr G inconvenience in not re-sending a copy of its March 2020 email when he said he hadn't received it. And I agree with the investigator that Coverwise should pay £150 due to the distress and inconvenience caused to him as a result.

My final decision

For the reasons I've given, it's my final decision that I uphold this complaint and direct Coverwise Ltd to pay Mr G £150 for the overall distress and inconvenience caused, unless it has already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 November 2023.

Gemma Warner
Ombudsman