

The complaint

Mr J and Mrs O complain that Euroins AD hasn't paid a cancellation claim on a travel insurance policy and it that didn't respond to them at all.

As Mr J brought the complaint to us, for ease, I've referred mainly to him.

What happened

In June 2021, Mr J booked a holiday and took out a single trip travel insurance policy alongside the booking. The insurance policy was sold by a broker I'll call R and was underwritten by Euroins. Mr J was due to travel in January 2022.

Unfortunately, Mr J needed an operation and so the trip had to be cancelled. Mr J said he made a cancellation claim on his travel insurance policy for the cost of his cancelled flights. But he said the claim was turned down because Euroins considered his condition existed before the policy was taken out. This was specifically excluded by the policy terms.

Mr J was unhappy that his claim hadn't been settled and so he asked us to look into a complaint.

Our investigator looked into things. She didn't think it was clear that Euroins had been given the regulator's timeframe to investigate Mr J's concerns and so she asked it to do so within eight weeks.

Euroins didn't issue a final response to Mr J's complaint. It told us that it had no record of Mr J making a claim with it and that R had also told it that Mr J hadn't contacted it to make a claim either. It said it couldn't provide us with its business file as there had been no claim to consider.

So our investigator assessed the complaint based on the information she did have. She felt that as the policy covered cancellation due to illness or injury, Mr J had shown he had a valid claim on the policy. She didn't think Euroins had provided enough information to show that the claim was excluded from cover. She therefore recommended that Euroins should pay Mr J's claim, together with interest.

The investigator also thought that even if Euroins hadn't known about a claim at the outset, it should have registered a claim for Mr J when we'd got in touch to let it know about his complaint. She thought its failure to do so had likely caused Mr J some trouble and upset. So she recommended that it should pay Mr J £100 compensation.

Euroins disagreed. It maintained that a claim hadn't been made and that Mr J had never been in contact with it.

I issued a provisional decision on 13 June 2023, which explained why I thought Euroins should consider a claim for Mr J and pay him £150 compensation. I said:

'The relevant regulator's rules say that insurers must handle claims promptly and fairly. They also say that insurers must provide reasonable guidance to help a policyholder make a

claim. So I've considered the available information to decide whether I think Euroins has treated Mr J fairly.

First, I've looked at the terms and conditions of Mr J's policy and the relevant policy schedule. I can see that Mr J's policy was sold by R, which sent us a copy of the relevant contract terms and conditions.

I asked Mr J for some more information about what happened when he tried to make a claim. Initially, Mr J said he'd called up and was told his claim wasn't covered, as it appeared he knew he had an operation planned. Mr J has now told us that he called R in December 2021 once he learned he'd need an operation, but never heard anything back. It's important I make clear that R isn't an insurer – so it doesn't have regulatory authority to assess or settle claims. That's Euroins' responsibility.

The number Mr J told us he called appears to be a number for R. And Euroins has no record of Mr J calling to make a claim. So it isn't clear what happened when Mr J called R, or what information he might have been given. But it does currently seem to me that Mr J most likely didn't get in touch with Euroins or its designated claims handler using the contact information set out in the policy terms and conditions. And it also seems more likely than not that R didn't pass on any information about Mr J's wish to make a potential claim to Euroins in December 2021. So I don't think I could fairly conclude that Euroins or its designated claims handler failed to consider or unreasonably turned down a claim at this point.

I acknowledge that the policy does cover cancellation due to a policyholder's illness or injury. So if Mr J had to cancel his trip due to an operation, this would appear to be an insured event under the cancellation section of the policy.

With that said, it's a general principle of insurance that it's a policyholder's responsibility to provide enough evidence to show they have a valid claim on their policy. This would usually involve a policyholder completing a claim form; providing medical evidence in support of their claim and providing evidence that they have suffered an irrecoverable loss. In this case, I haven't seen any evidence that Mr J did complete a claim form, provide any medical evidence or demonstrate that he's suffered a financial loss that he can't get back from elsewhere. On that basis, I don't think I could fairly or reasonably direct Euroins to settle any cancellation claim Mr J may wish to make, as I think it's reasonably entitled to be satisfied that a claim is covered.

However, it seems to me that Euroins was put on notice about Mr J's potential claim in November 2022 – around seven months ago. At this point, our investigator notified Euroins about Mr J's complaint to us and provided it with eight weeks to look into and respond to Mr J's concerns. She also sent Euroins a copy of Mr J's policy schedule to allow it to locate Mr J's details. It was open to Euroins to contact Mr J to advise him that it had no record of him making a claim and to let him know what he'd need to do if he wanted to make a claim.

There's no indication that Euroins did get in touch with Mr J and neither did it issue a final response to Mr J's complaint within the regulator's timeframe. It appears too that in response to our investigator's assessment, Euroins indicated it would contact Mr J, but Mr J says he's received no such contact from it. Neither did Euroins respond to questions I asked about whether it had been in contact with Mr J, or whether it could provide me with any additional correspondence to consider.

So I do think there was more Euroins could have done to assist Mr J once we let it know about his complaint. I think it ought reasonably to have contacted Mr J to either register a claim, or to let him know the next steps in the claims process. And I think its failure to take this action or to communicate with Mr J caused him to suffer unnecessary frustration and

upset over a period of months.

On that basis, I currently think that the fair outcome to this complaint is for Euroins to contact Mr J to register a potential claim and to consider any claim in line with the policy terms and conditions. It will be for Mr J to provide Euroins with any information it may reasonably require in order to assess his claim. I must make it clear that I'm not directing Euroins to pay Mr J's claim – simply to consider any claim in line with the contract.

And I also think it would be fair and reasonable for Euroins to pay Mr J a modest amount of compensation to reflect the unnecessary trouble and frustration I think its failure to contact him once it became aware of his concerns caused him. In my view, an award of £150 compensation is a fair and reasonable amount to reflect the likely impact of Euroins' service upon Mr J.'

I asked both parties to provide me with any additional evidence or comments they wanted me to consider.

Mr J told us that he accepted my provisional findings.

Euroins didn't respond by the deadline I gave.

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, as Mr J accepted my provisional findings and Euroins hasn't provided any new evidence or comments for me to consider, I see no reason to change my provisional conclusions.

So my final decision is the same as my provisional decision and for the same reasons.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I uphold this complaint in part.

I direct Euroins AD to contact Mr J and Mrs O to register a potential claim and to accordingly consider any such claim in line with the policy terms and conditions.

I also direct Euroins AD to pay Mr J and Mrs O £150 compensation. Euroins must pay the compensation within 28 days of the date on which we tell it Mr J and Mrs O accept my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Mrs O to accept or reject my decision before 11 August 2023.

Lisa Barham
Ombudsman