

## **The complaint**

Mr and Mrs H are unhappy with the way UK Insurance Limited (“UKI”) has settled their travel insurance claim.

## **What happened**

Mr and Mrs H have travel insurance through their bank account. The insurance is underwritten by UKI.

In December 2022 Mrs H departed on a trip which was for nearly two months in duration, travelling to two different countries. Part of this trip included a trek for 17 days that commenced on 2 January 2023. Three days into the trek, Mrs H contracted Covid-19 and was required by local government rules to self-isolate – she therefore had to remain in a hotel during this time, incurring additional expenses. At the end of the isolation period of six days, Mrs H paid for a new flight to enable her to re-join the trek and continue with her trip. She returned home on her original flight approximately two weeks later.

Upon her return to the UK, Mrs H made a claim to UKI for the additional expenses she incurred during the self-isolation period and also for the unused days of the trek during this time. UKI considered her claim and reimbursed the additional travel and accommodation expenses, however, it declined her claim for the unused days of the trek. It said that the policy only provides cover for these unused costs if she had cut short her trip and returned to the UK earlier than planned. Mrs H disagreed and made a complaint to UKI, but it didn’t change its stance. So, Mrs H brought her complaint to this service. She referred to information on our website, in particular our approach to effective curtailment, and said she believed her claim should be covered as her trip was effectively curtailed for those six days.

Our investigator looked into the matter but didn’t uphold the complaint. He said that the policy provides cover if you cut short the trip and return home early. As Mrs H didn’t return home early, he found that UKI had fairly declined the claim. And in relation to effective curtailment, our investigator said this refers to a policyholder being hospitalised or confined to their room until the end of their trip or beyond. This wasn’t the case in Mrs H’s circumstances and so he didn’t think this applied.

Mrs H didn’t agree with our investigator’s opinion. As no agreement could be reached the matter 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.

It is important to point out that we’re an informal dispute resolution service, set up as a free alternative to the courts for consumers. I acknowledge that I’ve summarised the complaint in far less detail than Mr and Mrs H but in deciding this complaint I’ve focused on what I consider to be the heart of the matter rather than commenting on every issue or point made in turn. This isn’t intended as a discourtesy to Mr and Mrs H. Rather it reflects the informal

nature of our service, its remit, and my role in it.

The relevant rules and industry guidelines say that insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Mr and Mrs H's complaint.

#### *The policy terms and conditions*

Mrs H is claiming for the unused portion of her trek when she was forced to self-isolate following contracting Covid-19. The policy includes a section titled '*Cutting Short Your Trip (after your trip has started)*' which states the following:

*We will pay up to £5,000 for each insured person for their portion of the trip costs if you have to cut your trip short, including:*

- *Unused commercially operated accommodation and travel costs.*
- *Unused car hire.*
- *Unused excursions and activities.*
- *Unused kennel, cattery or professional pet sitter costs.*
- *Unused car parking costs.*
- *If you have to return home early and you can't use your return tickets we will pay reasonable costs for additional accommodation and travel.*
- *The value of used points or miles if you booked your flight or accommodation using Avios or a similar promotional scheme.*

The section then lists the reasons for which it will cover such expenses, the relevant one for Miss H's circumstances is as follows:

1. *Death, illness or injury: the death, serious injury or illness of any insured person, your travelling companion, a close relative, a colleague or anyone outside your home area that you had planned to stay with...*

Within this section there is information about what is required for claims and how these will be calculated. It states the following:

*Claims for unused accommodation will be calculated based on the number of complete days of your trip that are lost as a result of either your early return to your home area or your admission to hospital as an inpatient if you remain there for the rest of your trip.*

#### *Has the claim been declined fairly?*

Based on the policy terms detailed above, there isn't any dispute that the policy does provide cover for cutting short the trip if this is as a result of an illness. However, the policy says cover will only be provided if Mrs H had cut short her trip and returned to the UK or if she had been hospitalised for the remainder of the trip. This didn't happen in her particular circumstances and so I'm satisfied that UKI has acted within the terms and conditions of the policy when declining the claim.

There are occasions where I may depart from a strict interpretation of the policy terms if I

feel their application produces an unfair result. Mrs H has referred to information available on our website relating to effective curtailment that she feels applies to her case.

If a consumer has been confined to hospital, their hotel room or cabin due to illness or injury and remains there for the duration of the remainder of their stay, I may consider that the trip has been effectively cut short from that point. In Mrs H's circumstances, this didn't happen as she was able to re-join the trek after her confinement and enjoy the remaining two weeks of her travel arrangements. As Mrs H only missed a very small proportion of her overall travel arrangements, and she was able to continue her trip following this period, I'm not persuaded that it would be fair or reasonable to ask UKI to pay any costs relating to the unused days of the trek.

### **My final decision**

For the reasons mentioned above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 29 September 2023.

Jenny Giles  
**Ombudsman**