

## **The complaint**

Mr and Mrs C's complaint is about a claim they made on their Zurich Insurance PLC (Zurich) travel insurance policy.

Mr and Mrs C say that Zurich treated them unfairly by declining their claim after prolonged delays.

## **What happened**

Mr and Mrs C took out a travel insurance policy with Zurich. Before they travelled Mr C was diagnosed with a chest infection. He went to see his GP about this who referred him to a consultant. The consultant diagnosed him with a heart condition. Mr and Mrs C said that as their trip abroad was imminent, they asked the consultant whether Mr C was fit to travel. They say the consultant told them he wouldn't be fit to travel on the date they were due to fly on, but he could go a few days later. Mr and Mrs C changed their flights accordingly.

Whilst abroad, Mr C became unwell and needed treatment. On return he and Mrs C made a claim on their travel insurance policy to recover the costs they incurred in respect of this.

Zurich took a considerable amount of time to consider the claim. Each time Mr and Mrs C chased them, they were asked for further information, which they provided promptly. Eventually Zurich declined their claim on the basis that they thought the medical evidence set out that Mr C was not fit to fly when he did. But they also said they would be paying Mr and Mrs C £200 in recognition of the delays they caused in communicating this to them. Mr and Mrs C say they've never received the cheque Zurich said they were sending.

Our investigator reviewed Mr and Mrs C's complaint and asked Zurich for further information. He said there was no evidence suggesting that Mr C was not fit to fly when he did and that he was persuaded by their account of the advice given by the consultant because the change in their flight dates accorded with this.

Zurich replied saying the claim was also declined because Mr C didn't declare he was diagnosed with a heart condition shortly before he travelled. They said that if he had, an additional premium would have been payable and as things stand, Mr and Mrs C have only paid 75.42% of the premium that would have been due.

The investigator considered this further and directed that the fair thing to do would be for Zurich should pay 75.42% of Mr and Mrs C's claim as well as a further £150 in addition to the £200 already offered by Zurich to fairly compensate Mr and Mrs C for their delay in dealing with the claim. Mr and Mrs C have accepted the investigator's view, but Zurich haven't replied. As such the matter has been passed to me to determine.

## **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 I agree with the investigator that Mr and Mrs C's complaint should be upheld for broadly the same reasons.

Zurich's reason for declining the claim was communicated to Mr and Mrs C and indeed the Financial Ombudsman Service as being due to Mr C travelling against medical advice. But that's not recorded anywhere in the advice Mr C was given either by his GP or the consultant he saw. Rather the medical evidence from the GP was that he could not say whether Mr C was fit to travel and that he'd need to refer to the consultant. The consultant didn't comment on this issue in his medical notes. Like the investigator however I'm persuaded that the advice given by the consultant in person was likely to be that Mr C would be fit to travel a few days after he was due to fly, because this accords with the change made to Mr and Mrs C's flights.

So, I think the reason Zurich gave Mr and Mrs C and initially the Financial Ombudsman Service for declining their claim isn't fair. Since declining the claim on that basis Zurich have said that it's still not covered because Mr C didn't declare his newly diagnosed heart condition before he travelled and that's a policy requirement. In particular, the policy says:

*"You must tell us and consult with your medical practitioner if you or anyone else insured on this policy:*

- i) develops a new condition and/or*
- ii) there is a change to an existing medical condition and/or*
- iii) there is a change in medication"*

It also states:

*"All medical conditions*

*We will not cover you for any medical condition or disability (pre-existing or otherwise) if*

- 1) your state of health is significantly worse than you told us;"*

I accept the point they've made, and that Mr and Mrs C should have called Zurich to declare his newly diagnosed condition before they travelled. But given the condition was diagnosed so close to the date of travel and the declaration wouldn't have led to Zurich to decline cover, I think it's fair that they now cover the claim in the same proportion as the amount Mr and Mrs C have paid towards the premium, which would have been payable had they declared Mr C's heart condition. Zurich have said Mr and Mrs C have paid 75.42% of the premium that would have been payable if the appropriate declaration had been made.

Turning now to the delays Zurich have caused in dealing with Mr and Mrs C's claim; I can see that Mr and Mrs C continually chased Zurich for a reply on their claim and each time they received either further requests for information or holding emails saying the claim was still being considered. And when Zurich did recognise the delays, they said they would pay Mr and Mrs C £200 in recognition of this, which I understand was never paid. I think Mr and Mrs C would have found the delays very frustrating. And given their outlay, they were looking for a decision on whether they could recover this promptly. Taking everything into account, including the prompt replies Mr and Mrs C provided to Zurich each time they asked for more information, and the subsequent failures by Zurich to provide any response at all until chased, I think a total compensation award of £350 is appropriate in the circumstances. This takes into account the £200 Zurich said they were paying but haven't yet paid.

## **Putting things right**

Zurich should now:

- Settle 75.42% of Mr and Mrs C's claim in line with the remaining policy terms
- Pay 8% simple interest per year on the sum payable to Mr and Mrs C in respect of their claim from the date of the claim being submitted by them, until it's paid.
- Pay Mr and Mrs C a total of £350 in compensation to include the £200 already offered by Zurich but not paid to them.

## **My final decision**

For the reasons set out above, I uphold Mr and Mrs C's complaint and direct Zurich Insurance PLC to put things right as I've set out above.

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

Lale Hussein-Venn  
**Ombudsman**