

The complaint

Mr and Mrs S are unhappy with the settlement amount offered by Astrenska Insurance Limited after they made a claim on travel insurance policy.

What happened

Mr and Mrs S purchased a single trip travel insurance policy on 27 January 2023. It was to cover them for a trip they were making abroad – with the policy covering them between 11 February 2023 and 8 March 2023. The policy provided cover for various pre-departure and post-departure risks.

Mr and Mrs S went on their trip as planned. They spent the first part of their trip abroad in one location. And were due to catch a flight to their next destination on 19 February 2023. However, they received notification from the airline they were due to fly with, that the flight was cancelled.

It's my understanding Mr and Mrs S were offered places on a flight with their original airline, leaving the next day instead. But Mr and Mrs S have explained it wasn't possible for them to wait to take this flight – as they needed to be at their next destination in time to pick up a scheduled cruise. So, they purchased new flights with a different airline, to ensure they made it to their cruise in time.

Mr and Mrs S made a claim under their travel insurance, given the above situation, and their need to have purchased an additional flight.

Astrenska considered the claim and accepted it. It offered Mr and Mrs S £180 in total, in settlement of their claim. Astrenska said this was because the claim was dealt with under the 'travel delay' section – which provided a fixed benefit for delayed journey's, up to a maximum of £90 per person.

Mr and Mrs S didn't feel this was the correct way to deal with their claim. They said Astrenska should have been settling their claim under the 'missed departure' section of their policy, and increasing the settlement of the claim, to cover the costs they incurred by having to purchase an additional flight.

Astrenska responded to Mr and Mrs S' concerns and said it had dealt with the claim correctly. Astrenska said the 'missed departure' section of the policy didn't apply in this situation – because the departure wasn't missed. Instead, it was delayed because of a flight cancellation.

As Mr and Mrs S remained dissatisfied, they referred their complaint to this service for an independent review.

Our investigator considered this complaint and thought Astrenska had acted fairly, and in line with the terms and conditions of the policy, by dealing with the claim under the 'travel delay' section, rather than the 'missed departure' section Mr and Mrs S had mentioned.

Mr and Mrs S didn't agree. They said that the policy didn't explain what missed departure was – and therefore this was down to interpretation of the wording. Mr and Mrs S said they interpreted missed departure to mean a situation where their flight was cancelled. So, they remained of the opinion Astrenska should increase the settlement amount offered to them.

As Mr and Mrs S didn't agree, this complaint has been referred 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.

Having done so, I'm satisfied Astrenska's settlement offer of £180 in total is fair and reasonable. So, I'm not requiring it to do anything more.

I appreciate this will be a disappointment to Mr and Mrs S. It's clear they feel strongly about the matter. But I'd like to reassure the parties that I have considered all information and evidence provided when reaching my decision. However, when explaining my decision, I've only referred to evidence I consider necessary to detail my reasoning. This isn't intended as a discourtesy but reflects the informal nature of this service.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether Astrenska acted in line with these requirements when it agreed to settle £180 for Mr and Mrs S' claim.

I've also reviewed Mr and Mrs S' policy documents, to see what cover the policy provided them with. On doing so, I'm aware there is cover under the 'Delay and abandonment' section, for certain delays.

This section explains that it pays out a set amount for each 4-hour period that transport is delayed, due to one of the reasons listed under 'What is Covered.' This section notes cover only being valid if those insured had travelled to the departure point. And the cover is up to a maximum of £90 per person.

Under 'What is Covered' several reasons are listed. Including delays because of shortage of crew. Mr and Mrs S have explained their original flight was cancelled due to crew shortages – with an alternative flight being offered the next day.

Astrenska have acknowledged that if Mr and Mrs S hadn't taken an alternative flight, they would have been delayed, up to the maximum covered amount under the policy. So, they offered the maximum claimable amount here. I'm satisfied that's fair. This section does provide cover for delays of such length. And I think this approach recognises that had Mr and Mrs S would have been subject to these delays, had they not needed to take alternative steps to reach their next scheduled arrangements.

I understand Mr and Mrs S consider their claim should have been considered under a 'missed departure' section of their policy. So, I've considered this section too. The section referred to is called 'Missed departure and connection outside the UK.'

This section covers additional travel and accommodation costs *"if **you** miss pre-booked transportation due to an event listed under "What is Covered", stranding **you** abroad."*

What is Covered

1. *Delay or cancellation of **public transport** due to:*
 - a. *Industrial action*
 - b. *Bad weather not including anything listed as a **natural catastrophe***
 - c. *Mechanical fault of transportation, including bird strikes*
 - d. *Shortage of crew.”*

The Insurance Product Information document (IPID) also details the following, under ‘what is covered’:

“Missed departure – up to £750

Cover for additional travel and accommodation costs if you arrive too late to travel on your booked transport due to certain reasons specified in the policy.”

Given the above, I’m aware that to be covered under this section Mr and Mrs S would have needed to miss their pre-booked transportation – in this case the flight, due to one of the above events.

I do appreciate Mr and Mrs S feel the cover under this section is open to interpretation. But I don’t agree. The policy clearly states the cover is for when pre-booked transport is missed. And this is usual of travel insurance policies of this nature.

Mr and Mrs S didn’t miss their flight. Their flight didn’t go ahead – it was cancelled. So, I’m satisfied Astrenska acted fairly in noting this section of cover didn’t apply to Mr and Mrs S’ circumstances. And I don’t find Astrenska did anything wrong – or need to make a payment under this section of cover.

I’ve reviewed all other sections of the policy Mr and Mrs S held, to see whether Astrenska acted fairly in not settling the remainder of the claim under any other section. But I’m satisfied there isn’t another section that applies in this case. So, I don’t think Astrenska did anything wrong – but settling the claim solely under the travel delay section, as detailed above.

My final decision

Given the above, I require Astrenska Insurance Limited to pay Mr and Mrs S a total of £180 in settlement of their claim, if it hasn’t done so already.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S and Mrs S to accept or reject my decision before 20 October 2023.

Rachel Woods
Ombudsman