

The complaint

Mr M and Miss V are unhappy Admiral Insurance (Gibraltar) Limited declined a claim they made under their travel insurance policy. In addition to this, Mr M and Miss V have said they received poor customer service from Admiral.

What happened

Mr M and Miss V took out an annual multi-trip travel insurance policy, covering them for various pre-departure and post-departure risks between 6 September 2020 and 5 December 2021.

Mr M and Miss V were due to go on holiday during this insurance period – with them due to depart on their trip on 6 June 2021 and return on 13 June 2021. However, Mr M and Miss V said they couldn't go on their holiday as planned. They said this was because of a change in Foreign Commonwealth and Development Office (FCDO) advice about the country they were intending to visit – in relation to Coronavirus. They said the country was put on the amber list by the FCDO, so they couldn't travel there.

Because they weren't travelling any longer, Mr M and Miss V contacted the provider of their holiday accommodation and transfers and were able to get a refund for these elements of the trip. They also tried to contact the airline they had been due to fly with, to gain a refund for their flights. But the airline declined to provide Mr M and Miss V a refund, saying this was because the flights had still gone ahead without them.

As Mr M and Miss V weren't successful in gaining a refund from the airline, they raised a claim with their travel insurer, Admiral, in January 2022. They claimed for the lost cost of their flights, £400.94, minus any applicable excess.

In March 2022 Admiral declined the claim. Admiral said that Mr M and Miss V's policy didn't provide cover for a cancellation due to FCDO advice advising against travel, in relation to Coronavirus. So, it said it wouldn't be settling the loss.

The following day, Mr M and Miss V responded to Admiral, and asked to speak to a manager about the outcome of their claim. But they've said this wasn't responded to. As they weren't responded to, Mr M and Miss V referred their complaint to this service for an independent review.

Following this, on 27 April 2023, Admiral provided a final response letter to Mr M and Miss V. This letter noted that it had incorrectly paid a previous claim in 2020 when this wasn't covered. And it apologised for the confusion this caused when Mr M and Miss V came to make their most recent claim. Admiral offered £65 compensation for the distress and inconvenience this caused Mr M and Miss V.

Mr M and Miss V remained unhappy. They still considered their claim should be settled.

Our investigator considered this complaint and didn't think it should be upheld. They said Admiral had acted in line with the terms and conditions of Mr M and Miss V's policy when

they declined their claim. And our investigator said that although they couldn't consider the outcome of the previous claim that was paid out by Admiral, they considered £65 was fair compensation for the confusion Admiral had caused in this regard.

Our investigator also noted that whilst Mr M and Miss V had spent some time chasing a response from Admiral following it declining their claim, they didn't think anything more needed to be done in respect of this – as the claim decline was clearly communicated on 18 March 2023. And there wasn't much more Admiral could have said to explain why the loss wasn't covered – beyond what it had already done.

Mr M and Miss V responded and noted they understood the terms in the policy now, which excluded their claim, as it arose from Coronavirus. But they didn't agree with the overall outcome reached by our investigator. They highlighted their concerns with the customer service provided by Admiral, and its lack of reply to communications. They also said Admiral were wrong in noting that a previous claim Mr M and Miss V made was incorrectly paid out. They said they had a valid claim then. Mr M and Miss V felt Admiral may be saying this to influence the outcome of this complaint.

As Mr M and Miss V didn't agree, this complaint has been referred to me to decide.

I issued a provisional decision to the parties. In this I said:

"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 intending on requiring Admiral to pay Mr M and Miss V £165 compensation in total. But I'm not intending on requiring Admiral to do anything differently in respect of the claim decision Admiral arrived at.

I'd like to reassure the parties that I've considered all information submitted to me, when considering this complaint. 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 Admiral acted in line with these requirements when it declined to settle Mr M and Miss V's claim.

I've also reviewed Mr M and Miss V's policy documentation – to see what cover the policy provides. On doing so, I'm aware Mr M and Miss V's policy does provide cover for the cancellation of a trip – in certain circumstances. These circumstances include situations such as the death or illness of the policyholder or travelling companion, unemployment or FCDO advise against travel.

But I'm also aware of a general exclusion detailed within the policy, which applies to all sections of the policy, which explains:

"We will not pay a claim which is in any way caused by or resulting from:

(...)

28. Coronavirus

Coronavirus disease (COVID-19), severe acute respiratory syndrome coronavirus 2 (SARS CoV-2) or any future mutation or variation of SARS-CoV-2. This includes claims arising from the fear or threat of these.”

This is also made clear within the Insurance Product Information Document (IPID). As the policy doesn't provide cover for a claim arising from Coronavirus, and Mr M and Miss V's claim was for cancelling a trip due to the Coronavirus pandemic, I'm satisfied Admiral acted fairly in declining their claim. It isn't covered by the policy.

Mr M and Miss V feel that Admiral's comments about a previous claim, and that it was paid but shouldn't have been, may have been made to influence the outcome of this complaint. But I don't agree this influences the outcome of this complaint. I haven't considered the outcome of the previous claim Mr M and Miss V made when reaching my decision. It isn't relevant to the outcome of this complaint, because the two claims are separate and standalone. Rather, I've considered whether, on this particular claim, Admiral has acted fairly and reasonably, in line with the terms of the policy. And I'm satisfied it did – for the reasons noted above.

I know Mr M and Miss V would like this service to comment on the previous claim. But I've not done this. That's because this complaint wasn't about a previous claim, but the one made by Mr M and Miss V in January 2022. So, it isn't for me to review the previous claim and comment on it.

I've considered Admiral's handling of Mr M and Miss V's claim. And in particular, their concern that after being told their claim was declined on 18 March 2023, they asked to speak to someone – and never received a response.

I've looked at copies of this communication. And I can see that Mr M and Miss V emailed Admiral on 19 March 2023, asking to speak to a manager in respect of their claim, otherwise they'd raise a formal complaint. But Mr M and Miss V received no response. They chased the matter further – for example on 19 April 2023, and again following this. But, from the information provided to me, it doesn't seem a response was ever received.

I do think a better customer service could have been provided to Mr M and Miss V here. Whilst Admiral had explained why it was declining Mr M and Miss V's claim, it's not unreasonable for a policyholder to seek further communication at that stage. And it's reasonable for a policyholder to expect a response.

I've thought about whether Admiral should do anything further in respect of this element of the complaint, thinking about the impact this lack of response had on Mr M and Miss V. It's clear the lack of response was troubling and upsetting – which is evidenced by the further emails they sent, chasing a reply. With this in mind, I think it would be reasonable for Admiral to pay Mr M and Miss V £100 compensation in this regard, as I'm satisfied that fairly recognises the impact of the upset caused.

In addition to this, I'm aware Admiral offered Mr M and Miss V £65, by way of an apology for accepting a previous claim, when it said it shouldn't have. As above, I haven't considered that previous claim. So, I don't know whether that was correctly paid by Admiral or not. But it seems fair for Admiral to have offered compensation to Mr M and Miss V in this regard – as its clear confusion was caused here. So, if Admiral hasn't paid this to Mr M and Miss V already, it should pay this too.

This means a total compensation payment of £165.”

Mr M and Miss V responded, accepting my provisional decision. Admiral didn't reply.

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've decided Admiral should pay Mr M and Miss V £165 in total.

There hasn't been any further comments or evidence from either party, to alter my findings on this complaint, or the reasoning for it. And so, my decision remains the same as that in my provisional decision, and for the same reasons.

My final decision

Given the above, my final decision is that I uphold this complaint in part and require Admiral Insurance (Gibraltar) Limited to pay Mr M and Miss V £165 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss V to accept or reject my decision before 26 October 2023.

Rachel Woods
Ombudsman