

## The complaint

Mr and Mrs J's complaint is about a claim they made on their Euroins AD ('Euroins') travel insurance policy.

Mr and Mrs J say that Euroins treated them unfairly by only paying part of their claim.

## What happened

Mr and Mrs J made a claim on their Euroins travel insurance policy for a cancelled trip for them and three other travellers. Mrs J said she'd paid for the entire trip, including the cost of the flights and accommodation of the other travellers, that they hadn't reimbursed her for this amount, nor were they covered by any other insurance policies. As such she was looking to claim back the cost of the whole trip.

Euroins considered Mr and Mrs J's claim but only reimbursed two thirds of the sums claimed. They said this was because the policy only provides cover for the proportionate costs of the persons insured, so the payment they were prepared to offer was only for Mr and Mrs J and not the other three travellers. Unhappy, Mr and Mrs J referred their complaint to the Financial Ombudsman Service.

Our investigator considered their complaint and concluded it should be upheld. She said the policy provides cover for cancellation and curtailment claims up to the amount specified in the policy summary *"for the unused portion of your travel and accommodation costs that you have paid or contracted to pay and you suffer a financial loss because you cannot get a full refund."* This coupled with the evidence she'd seen to support that Mrs J paid for the trip and hadn't received contributions from the other travellers led her to conclude that the policy did extend to the losses Mrs J was claiming for. As such she directed Euroins to pay the claim in full in line with the remaining policy terms as well as interest at 8% from the date Euroins paid for part of the claim until the date of settlement.

Mr and Mrs J accepted the investigator's view, but Euroins didn't. They said:

- The costs claimed for five travellers were individually priced in terms of flights and the accommodation booked was for two separate rooms. As such the claim didn't relate to unused accommodation and flights by them because the booking wasn't for the cost of a villa for example, which would have been a cost applicable to the entire booking.
- The investigator's conclusion means that they would be expected to pay a claim for medical expenses for uninsured travellers if Mrs J had paid for those herself.
- There's no evidence to support whether the other three passengers had separate travel insurance they could have made a successful claim on.
- The policy term the investigator has quoted refers to *"your"* travel and accommodation costs, so this means the policyholders' portion of the trip- i.e. Mr and Mrs J's and not those of the other three travellers.

Because Euroins didn't agree with the investigator's view, 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 uphold Mr and Mrs J's complaint for broadly the same reasons set out by the investigator. I'll explain why.

The starting point is the policy terms. They cover all persons named on the certificate of insurance for whom the premium has been paid. In this case, Mr and Mrs J were named on the certificate of insurance so they were covered by the policy.

Under the cancellation and curtailment section of cover, the policy states:

*"We will pay you up to the amount shown in the summary of cover for the unused portion of your travel and accommodation costs that you have paid or contracted to pay and you suffer a financial loss because you cannot get a full refund if you cancel before the start of your trip or cut your trip short and return home early during the period of insurance because of the following:*

- 1. the death, bodily injury, or illness of you, your travel companion, a close relative or any other person you have arranged to stay with during your trip;"*

In this case the trip was cancelled because Mrs J was ill. Euroins relies on the references to "you" and "your" in the term I've quoted above to support the fact that the unused portion of the trip only relates to Mr and Mrs J's financial loss and not those of the other three passengers. I've considered this but I don't think the term is sufficiently clear where Mrs J has suffered a loss for the entire trip and any ambiguity in the policy terms is interpreted in Mrs J's favour. So in the absence of anything specific in the policy terms to confirm that the cover only applies to Mr and Mrs J's portion or share of the costs even if Mrs J paid for the entire holiday, I don't think it would be fair and reasonable to interpret it this way.

In this case I'm satisfied that Mrs J did pay for the entire trip without reimbursement. She paid for her two daughter's and their friend to take them away together. The evidence she's supplied supports this and I've seen nothing to suggest she was being reimbursed for any of it. As such I take the view that Euroins were wrong to decline the claim in the way that they did.

But I also take on board the points that Euroins have made. Like the investigator I don't think upholding this complaint informs the outcome of any complaint for medical expenses for an uninsured traveller where Mrs J paid for their costs. That's not the complaint I'm considering here so it's not the same issue. I do however take Euroins point that they haven't been provided with evidence to support whether the other three passengers had separate travel insurance they could have made a successful claim on.

Mr and Mrs J have said that their daughters and their friend couldn't have made a successful claim on any other travel insurance policy held in their respective names because the loss they would have been claiming for wasn't their own- it was hers. I take this on board but it's unclear whether they had any other travel insurance policies in place and if so whether they claimed on them. We wouldn't expect Euroins to pay out a claim which is covered by an

alternative policy. As such I've set out how they should put things right below which is subject to the other three travellers providing the information I've referred to below.

### **Putting things right**

Euroins should pay Mr and Mrs J's claim in full in line with the remaining policy terms as well as interest at 8% per year simple from the time they reimbursed part of Mr and Mrs J's claim until the remainder is paid.

This is subject to Euroins either receiving written confirmation from the other three passengers that they either had no other insurance policies in place that would cover them for this situation or if they did, a letter from their respective travel insurers confirming their claims had been declined.

### **My final decision**

For the reasons set out above, I uphold Mr and Mrs J's complaint against Euroins AD and direct them to put things right as I've set out above.

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

Lale Hussein-Venn  
**Ombudsman**