

## **The complaint**

Mr and Mrs C are unhappy that Astrenska Insurance Limited declined a claim made on their travel insurance policy ('the policy').

## **What happened**

In January 2023, Mr and Mrs C had booked to go abroad in March 2023. They took out a yearly, multi-trip, travel insurance policy at the end of February 2023 – underwritten by Astrenska ('the policy').

They cancelled the holiday a day before they were meant to travel due to a close family member becoming terminally ill. They were able to get refunds (or partial refunds) in respect of some of their bookings but made a claim on the policy for the rest of their out-of-pocket expenses.

Their claim was originally declined by Astrenska relying on an exclusion in the trip disruption section of the policy which said that it wouldn't cover for any claim where "you bought the policy or booked the trip knowing you would have to claim".

Astrenska subsequently declined the claim relying on the general conditions which said: "you must take all reasonable steps to avoid or minimise any claim".

After Mr and Mrs C queried this reason, Astrenska said the claim was declined because the policy didn't provide cover if "you didn't seek the advice of a medical professional which confirms the necessity to cancel the trip".

Unhappy, Mr and Mrs C complained to Astrenska. In its final response letter, it maintained its decision to decline the claim. That's because the GP had stated that the close family member of Mr and Mrs C was stable until 10 February 2023 and there was an acute deterioration after his admission to hospital. And "with that in mind we do not believe that it would be possible for the treating doctor to confirm that at the time of taking out the policy on 25<sup>th</sup> February (2023), there was no substantial likelihood of the condition deteriorating to such an extent that cancellation of your trip would be necessary".

Astrenska apologised that the reason for declining the claim hadn't been clearly explained previously and agreed that it hadn't provided good service. It said feedback had been provided so similar situations could be prevented in future. It offered £30 compensation to Mr and Mrs C.

Mr and Mrs C complained to the Financial Ombudsman Service. Our investigator looked into what happened and, ultimately, concluded Astrenska hadn't unfairly declined the claim.

However, she did recommend it pay Mr and Mrs C further compensation in the sum of £100 to recognise the distress and inconvenience they experienced because of the way in which the claim was handled.

Astrenska didn't reply. So, I need to make a decision.

## **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.

Astrekska has an obligation to handle insurance claims promptly and fairly - and shouldn't unreasonably reject a claim.

## **Declining the claim**

I know Mr and Mrs C will be very disappointed but, for the reasons set out below, I'm satisfied Astrenska has fairly and reasonably declined the claim.

Under the cancellation section of the terms and conditions of the policy it says cover is provided if a trip is cancelled due to the death, injury or illness of an immediate relative. But that's subject to the remaining terms and conditions of the policy.

The cancellation section also contains "important information". That includes:

Health of non-travelling people: You may have to cancel due to the poor health of an immediate relative of yours or of your travelling companion...For cover to apply we require that a medical practitioner confirms in writing that when you purchased the policy or booked the trip:

- The non-insured party was not seriously ill in hospital or receiving palliative care and
- There was no reason to expect their state of health to deteriorate so much that you would need to cancel.

I haven't seen any evidence that a medical practitioner has provided this information in writing.

Without anything more - and given the family's member's health at the time Mr and Mrs C bought the policy as noted on the medical declaration form completed by the GP - I don't think Astrenska has unreasonably declined the claim. I'm persuaded it's reasonably concluded that a medical practitioner is unlikely to be able to confirm that, as at the date of buying the policy, there was no reason to expect the family member's state of health to deteriorate so much that Mr and Mrs C would need to cancel their holiday.

At the time Mr and Mrs C bought the policy, they also had another yearly travel insurance policy in place – which was due to end in mid-March 2023. As Astrenska has said, Mr and Mrs C are free to contact the insurer of that policy to see whether a claim can be made for their out-of-pocket expenses – notwithstanding that the trip was due to end after the expiry of that policy.

## **The service provided**

Astrenska accepts that it should've provided Mr and Mrs C with better service. It's said sorry and offered £30 compensation. I don't think that fairly reflects the distress and inconvenience Astrenska caused Mr and Mrs C.

Mr and Mrs C were repeatedly given unclear reasons as to why their claim was cancelled and I'm satisfied this wasn't made clearer until the final response letter. Even then, in the circumstances of this case, I think Astrenska should've referred Mr and Mrs C to the

appropriate terms of the policy given the confusion caused by the previous reasons put forward to decline the claim.

I'm satisfied this caused Mr and Mrs C unnecessary upset at an already incredibly difficult time for them, when they were mourning the death of a close family relative. It also caused them unnecessary inconvenience having to contact Astrenska on many occasions to query and challenge the initial reasons put forward to decline the claim – and when not receiving call backs as promised.

I'm satisfied £130 compensation more fairly reflects the distress and inconvenience they experienced because of Astrenka's failings here.

### **Putting things right**

I direct Astrenska to pay Mr and Mrs C £130 compensation for distress and inconvenience.

Astrenska can deduct from this amount the £30 it offered in its final response letter if this has already been paid.

### **My final decision**

I partially uphold this complaint and direct Astrenska Insurance Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 8 December 2023.

David Curtis-Johnson  
**Ombudsman**