

## **The complaint**

Mrs S complains Euroins AD unfairly declined the majority of her travel insurance claim.

Euroins has been represented by agents for the claim and complaint. For simplicity I've referred to the agent's actions as being those of Euroins.

## **What happened**

In August 2022 Mrs S' passport was lost or stolen when she was due to board a return flight to the UK. It was a weekend so she had to wait a few days until she could get a replacement from the British Consulate. Mrs S claimed against her Euroins travel insurance policy for costs she incurred - including for a replacement flight, taxis, food and accommodation.

However, Euroins initially declined the claim on the basis Mrs S had failed to meet a policy term requiring her to obtain a police report. After she objected it accepted the claim – but only agreed to cover the cost of a taxi to the Consulate. Mrs S wasn't happy with that so came to this service. To resolve her complaint she would like Euroins cover more expenses – including accommodation, food and flight costs.

In September 2023 our Investigator recommended Euroins cover two nights accommodation – but not her food and medication expenses. Euroins agreed to that, but not the £100 compensation the Investigator recommended it pay. As the complaint wasn't resolved it was passed to me to decide.

Having considered the complaint, I wrote to both parties to explain I intend to require Euroins to reimburse Mrs S the cost of two additional taxi journeys. I said I felt the journeys had been taken in the process of obtaining a replacement passport – so the cost should be covered by the policy. I also said I intend to require Euroins to apply simple interest to the payment for those journeys and the accommodation.

## **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.

Mrs S' policy covers her loss of travel documents - up to the policy limit of £500. The terms say she is covered for *'costs in obtaining a replacement passport or travel document to enable her to return to her home country following loss or theft'*.

The terms state she isn't covered for the costs of the passport itself. They also state she isn't covered if she hasn't reported the loss or theft to local police and obtained a written report. It isn't clear if Euroins is still relying on this term to decline the claim. In any event I think it would be unfair to do so.

Mrs S contacted the police despite Euroins indicating it wouldn't be necessary. The document she provided may not be considered a 'police report' by Euroins. But I'm satisfied she made reasonable efforts to inform the relevant authority. I'm persuaded by her testimony

that the loss or theft did happen. And I can't see that Euroins has suffered any detriment from Mrs S not providing a report it considers acceptable.

Following the Investigator's assessment, Euroins agreed to cover Mrs S accommodation costs. She had to spend two nights in a hotel waiting for the Consulate to open. Considering the circumstances, I agree that was a cost she incurred in obtaining the replacement passport. So Euroins will need to reimburse her the costs of the hotel accommodation – not the beverage or other costs shown on her hotel receipt.

I'm not going to require Euroins to cover her food and medication for the two days. She would likely have incurred similar costs had she returned home. So I don't consider them additional costs of obtaining her passport.

Mrs S incurred three taxi fares – from the airport to the emergency hotel and to and from there to the Consulate. So far Euroins has only reimbursed the cost of the single trip to the Consulate. However, I consider the other two to be reasonable additional costs incurred by her in the process of obtaining a replacement passport. So it will need to reimburse her for the two remaining taxi journeys.

Euroins' refusal to cover her replacement flight or missed flight costs was fair and reasonable. Her policy doesn't cover missed departures or replacement flights in the circumstances she experienced. Neither does it cover the additional travel or accommodation costs of her family when they returned to the UK without her. They weren't costs involved in obtaining a lost passport – or covered by any other section of the policy.

So Euroins unfairly declined Mrs S' claims for two taxi trips and two nights hotel accommodation. It will need to reimburse her the costs of those. The overall cost won't exceed the policy limit.

As Mrs S has unfairly been without those funds because of Euroins failure to reimburse her costs it will need to add simple interest at 8%. This should be applied from the date she paid the costs in August 2022 to the date of settlement.

Finally our Investigator felt Euroins should pay Mrs S £100 compensation for distress and inconvenience. I agree with that award. Euroins caused her inconvenience by first declining her claim unfairly. And then by failing to provide her with a fair settlement. She's had the inconvenience of having to unnecessarily correspond with Euroins. £100 is a fair amount to recognise that.

## **My final decision**

For the reasons given above, Euroins AD is required to:

- reimburse Mrs S the cost of the two further taxi journeys and two nights accommodation (simple interest at 8% is to be applied to these amounts from the date she paid for the items to the date of settlement\*) and
- pay her £100 compensation.

\*If Euroins AD considers it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs S how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 25 December 2023.

Daniel Martin  
**Ombudsman**