

The complaint

Miss C complains that Euroins AD declined her claim against her travel insurance policy. Reference to Euroins includes its agents.

What happened

In summary, in March 2023, Miss C bought an annual travel insurance policy underwritten by Euroins. The policy started on 10 April 2023. Miss C planned a trip with departure and return dates of 29 August 2023 and 9 September 2023 respectively.

On the day of Miss C's planned departure, the airline cancelled Miss C's outgoing flight because of problems with air traffic control. It also cancelled her return flight. The airline refunded the flight costs. Miss C arranged alternative flights but the earliest outbound flight she could get was on 1 September 2023, three days later, and cost more than her original flights.

Miss C made a claim against her policy in relation to additional flight costs and unused accommodation. Euroins considered Miss C's claim under the delayed departure provisions. It said that what happened here wasn't covered by the policy. It said that Miss C didn't select and pay an additional premium for the extended delay option when taking out the policy.

Miss C didn't think that was fair. She said that it's reasonable to assume that a travel insurance policy would cover what happened here.

One of our investigators looked at what had happened. He didn't think that Euroins had acted unfairly in declining the claim as what happened here wasn't covered by the policy.

Miss C didn't agree with the investigator. She said that her complaint was that it was reasonable for her to assume that the policy covered a claim for accommodation costs in the event that she couldn't use the accommodation she'd booked. Miss C says that she's never had to tick a box and pay extra for cover.

Miss C says that she's not complaining that Euroins haven't acted in line with the policy terms. She says that her complaint is that it's unreasonable for the policy not to cover what happened here.

Miss C asked that an ombudsman consider her complaint, so it was passed 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.

The relevant rules and industry guidance say that Euroins has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I don't intend to uphold Miss C's complaint and I'll explain why:

- Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. In general terms, insurers can decide what risks they wish to cover.
- Euroins considered Miss C's claim under the delayed departure provisions of the policy, which I think was the right approach. In fact, Miss C's departure was cancelled, not delayed. But when deciding what we think is fair and reasonable in all the circumstances of a case of this nature, we'd generally consider the ultimate impact of the situation on the consumer. As Miss C was unable to arrange an alternative flight straight away, the impact of the situation on her is the same as if the original flight was delayed then cancelled.
- The delayed departure provisions cover delay of scheduled public transport following a strike, industrial action, adverse weather or mechanical breakdown or technical fault of the transport. I don't think it's unusual for delayed departure cover to be limited to these sorts of events. The airline cancelled Miss C's flight because of issues with air traffic control. That's not covered by the policy.
- Euroins didn't advise Miss C about the suitability of the policy for her needs. It was nevertheless obliged to provide her with information about the policy that's clear, fair and not misleading, so that she could decide whether the policy was right for her.
- I think that the policy terms in relation to cover for delay are clear, fair and not misleading. The part of the policy that gives extended cover for delayed departure and which covers irrecoverable, unused accommodation costs and additional travel expenses in the event of delayed departure says:
'(Only operative if indicated in the validation certificate and appropriate premium paid)'.
So, it's clear that an additional premium is required for that cover. And the Insurance Product Information Document (IPID) includes a section showing what the optional covers are.
- On balance, I think that Euroins gave Miss C sufficient information so that she could decide whether the policy was right for her.
- Considering everything, I think that Euroins is entitled to rely on the policy terms and that it didn't act unfairly in declining Miss C's claim. There's no basis on which I can fairly direct Euroins to settle Miss C's claim.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 18 March 2024.

Louise Povey
Ombudsman

