

The complaint

Mr T and Mrs T complain about TICORP Limited ("X") and the information they were provided before purchasing their travel insurance policy.

Mrs T has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any comments made, or actions taken by either Mr T or Mrs T as "Mrs T" throughout the decision.

What happened

The circumstances of the claim are well known to both parties, so I don't intend to discuss them in detail. But to summarise, in June 2022 Mrs T purchased an annual travel insurance policy, sold by X. And Mrs T says that before she did this, she spoke to X directly to ensure the policy covered jet skiing as an activity, which she says X confirmed.

Unfortunately, in August 2022, Mrs T was involved in an accident while jet-skiing which caused damage to the jet-ski itself that she'd been charged for. So, she contacted X to clarify if this was something she could claim for, which they said it was. But when Mrs T made a claim for the costs she incurred, the claim was declined by the underwriter of the policy, who I'll refer to as "G".

Mrs T was unhappy about this, and felt X put her in this situation by mis-selling her the policy. So, she complained about this, asking X to cover the costs she paid out for the jet-ski damage.

X responded to the complaint and upheld it in part. They explained they couldn't find evidence of a call Mrs T made to them enquiring about the coverage of the policy, before the policy was inception. So, they didn't agree the policy had been mis-sold. But they accepted the advice given to Mrs T after the incident with the jet-ski was incorrect, and they offered to pay Mrs T £50 to recognise the upset this caused. Mrs T remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and didn't uphold it. They explained without evidence to show a call took place before the policy was inception, they didn't think they could say the policy had been mis-sold. And while they thought Mrs T had been given incorrect information after the incident, they didn't think this impacted Mrs T on the outcome of the claim. So, they didn't think X needed to do anything more than they had already offered.

Mrs T didn't agree, maintaining her view that she did call X before the policy purchase and why this, and other reasoning, supported her stance that X had acted unfairly. As Mrs T continued to disagree, the complaint has been passed to me for 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.

Having done so, I won't be asking X to do anything more than they have already. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to make it clear exactly what I've been able to consider within this decision. It will not consider G's decision to decline the claim, which I note is a complaint issue already handled by our service under a separate complaint reference altogether. And as G are the underwriter of the policy, it is G who are responsible for the way the policy terms are written, and the clarity of them. So, I won't be considering Mrs T's comments regarding this either. Instead, this complaint focuses solely on the sale of the policy, and the information provided to Mrs T by X directly.

And when considering the information X provided, I note from their final response to Mrs T's complaint that they accept in a call between themselves and Mrs T after the jet-ski incident, they provided her with the incorrect information regarding whether she would be covered for the damage under the terms of the policy. As this isn't in dispute, I don't intend to discuss the merits of this issue in any further detail. Instead, I will consider what I think X should do to recognise this later within the decision.

So, I've then turned to what I believe to be the crux of Mrs T's complaint, which centres around misleading information she feels X provided to her in a call she made, before she purchased the policy. I note Mrs T has explained before purchasing the policy, she called X to ask whether jet-skiing would be an insured activity, as she knew ahead of time this would be something she and her family would be doing. And Mrs T has stated X told her this activity would be covered. So, she feels this answer led her to purchasing the policy, which ultimately didn't cover the jet-skiing activity in the way she feels she was led to believe. So, she wants X to cover the costs she's incurred from the jet-ski damage, as she feels she would've purchased another policy had she been given the correct information at the time.

But our service is an evidence-based organisation. So, for me to consider the information given to Mrs X before she purchased the policy, I'd need to see evidence that a call between Mrs T and X took place. And neither Mrs T, nor X, have been able to supply evidence to show Mrs T called X before purchasing the policy with them, let alone provide a recording of the call for me to understand exactly what was discussed.

So, without this, I don't think I'm able to say X mis-led Mrs T into purchasing the policy. And I also must note that Mrs T purchased the policy in June and didn't make a claim until August of that year. So, I do think Mrs T had a reasonable amount of time to read through her policy documents to fully understand the scope of the policy, and the cover it provided. And if Mrs T was unhappy with this, I note from the policy terms that Mrs T would've been able to cancel free of charge within 14 days and purchase another policy she felt was more fit for purpose. So, while I appreciate this won't be the outcomes Mrs T was hoping for, I don't think I can see X mis-sold Mrs T the policy. And because of this, I don't think they need to do anything more for this aspect of the complaint.

Putting things right

As I've explained above, X have already accepted they told Mrs T she could claim for the jet-ski damage on a call held after the incident had occurred. And they've accepted this information was incorrect. For completeness, I listened to this call myself and I'm satisfied

the information X provided led Mrs T to believe they could claim for the damage costs, which were significant. So, I do think this created a false expectation for Mrs T and led to her spending time submitting a claim form which ultimately was of no use to her. So, I do think she has been impacted in a way which means she should be compensated.

I note in their final response, X offered Mrs T £50 compensation, which she rejected. And having considered this payment, I think it is a fair one which falls in line with our services approach and what I would've directed, had it not already been put forward.

I think it fairly recognises the error X made, and the false expectation this generated, which would've led Mrs T to feel both shocked and aggrieved when she later learned the claim would be declined. But I do think it also reflects the fact Mrs T's claim would always have been declined under the terms of the policy. And that when X did provide the incorrect information, Mrs T and her family had already had the accident involving the jet-ski and incurred the charges related to the damage. So, I don't think the misinformation from X ultimately changed the overall position Mrs T found herself in.

So, as the £50 hasn't yet been paid to Mrs T, I am now directing X to make this payment to Mrs T.

My final decision

For the reasons outlined above, I uphold Mr T and Mrs T's complaint about TICORP Limited, and I direct them to take the following action:

- Pay Mr T and Mrs T a total of £50 to recognise the impact their misinformation created.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 19 February 2024.

Josh Haskey
Ombudsman