

## **The complaint**

Mr and Mrs W complain that U K Insurance Limited (UKI) has turned down a claim they made on a travel insurance policy.

## **What happened**

Mr and Mrs W hold travel insurance as a benefit of a packaged bank account.

In May 2023, Mr and Mrs W were on holiday abroad. They were due to return to the UK by taking connecting flights. They'd paid for upgraded tickets on one of their return flights.

However, their first flight was diverted and delayed due to bad weather conditions. This meant Mr and Mrs W missed one of their connecting flights. Their airline was able to book them on to a flight with another airline. But due to lack of availability, they weren't able to make use of the upgrade they'd booked. So Mr and Mrs W made a claim for the cost of the unused upgraded tickets on their travel insurance policy.

UKI turned down Mr and Mrs W's claim. It said the policy terms didn't cover their circumstances.

Mr and Mrs W were unhappy with UKI's decision and they asked us to look into their complaint. They said they'd tried to recover the upgrade costs from the airline and from their bank, without success. So they felt UKI should cover their claim.

Our investigator didn't think Mr and Mrs W's complaint should be upheld. He didn't think it had been unfair for UKI to conclude that the claim wasn't covered by the policy terms.

Mr and Mrs W disagreed. They said the airline had given them authority to claim back the upgrade cost from UKI. And they felt one of the policy's exclusion clauses was unreasonable under the terms of the Consumer Rights Act.

The complaint's been 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.

Having done so, whilst I'm very sorry to disappoint Mr and Mrs W, I don't think it was unfair for UKI to turn down their claim and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the policy terms and the circumstances of Mr and Mrs W's claim, to decide whether I think UKI treated them fairly.

First, it's important I make it clear that no travel insurance policy covers every eventuality. Travel insurers set out the risks they've chosen to cover and not to cover within the

insurance contract. We won't generally tell insurers what risks they should and shouldn't cover. But insurers must ensure that their contract terms are clear.

I've first considered the policy terms and conditions, as these form of the basis of the contract between UKI and Mr and Mrs W. UKI considered this claim under Section B – Delayed or Missed Departure (on the day you are travelling). In my view, it was appropriate and reasonable for UKI to assess Mr and Mrs W's claim in line with this section of the policy. The policy explains 'what is covered' and I've set out the relevant terms below:

*1. Missed International Departure (outbound or on your return)*

*We will cover you **for reasonable additional accommodation and travel expenses** to get you to:*

- your trip destination on your outward journey; or*
- return you to your home on your return journey if you fail to arrive at your point of international departure in time to board your pre-booked aircraft, ship or train as a result of:*
  - the scheduled public transport or connecting scheduled flight on which you are travelling to your point of international departure not running to timetable; or*
  - the private car in which you are travelling being involved in an accident or breaking down.*

*2. Delayed International Departure (outbound or on your return) **We will cover you for your additional accommodation, travel and refreshment costs** if you have checked in and your pre-booked aircraft, ship or train is delayed by more than four hours beyond the time shown on your travel itinerary at the point of international departure.'* (My emphasis added).

In my view, UKI has clearly listed the insured 'events' and costs it covers under this section of the policy. In this case, Mr and Mrs W haven't claimed for any *additional* travel or accommodation expenses and neither have they claimed for any refreshment costs. Their claim is for the cost of an unused upgrade to their flight. So I don't think it was unfair for UKI to conclude that Mr and Mrs W's claim wasn't covered by this section of the policy. And having carefully checked the remainder of the contract, I don't think there's any section of the policy which provided cover for the situation in which Mr and Mrs W found themselves.

Our investigator referred to a policy exclusion which he considered applied to the circumstances of this claim. I've considered Mr and Mrs W's submissions on this point carefully. But as I've explained, I don't find that UKI acted unfairly when it concluded that Mr and Mrs W's costs simply don't fall within the scope of the costs the policy covers. So I don't think I need to make a finding on whether the exclusion clause also applies to the claim.

Overall, I sympathise with Mr and Mrs W's position, as I appreciate they've been left out of pocket due to circumstances entirely outside of their control. But I don't think there are any reasonable grounds upon which I could direct UKI to pay their claim. So it follows that I don't think UKI acted unfairly when it turned this claim down. It remains open to Mr and Mrs W to continue to seek a refund of their upgrade costs from their airline.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 28 February 2024.

Lisa Barham  
**Ombudsman**