

The complaint

Ms C and Mr P complain that Admiral Insurance (Gibraltar) Limited has turned down a claim they made on a travel insurance policy.

What happened

Ms C and Mr P were due to travel abroad. However, a flight they'd booked in May 2023 was cancelled due to an IT issue. And a second flight on the following day was cancelled because of operational issues. Ms C and Mr P weren't able to travel abroad in time for their planned trip and so they decided to abandon it. They made a claim on their policy for their lost costs.

Admiral turned down Ms C and Mr P's claim. It said that the claim didn't fall within the cancellation cover provided by the policy. And it said the contract specifically excluded travel delay claims which were caused by operational and IT issues.

Ms C and Mr P were unhappy with Admiral's decision. They felt it had hidden the relevant exclusions in the policy small print. So they asked us to look into their complaint.

Our investigator didn't think Ms C and Mr P's complaint should be upheld. She thought Admiral's terms and conditions were clear. And she didn't think the policy terms covered the circumstances of Ms C and Mr P's claim. So she thought it had been fair for Admiral to turn down their claim.

Ms C and Mr P disagreed. They questioned the investigator's impartiality. They considered that the events which had given rise to the claim had been out of their hands. And that events such as these should be covered as standard by any reputable insurance policy.

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 sorry to disappoint Ms C and Mr P, I don't think it was unfair for Admiral 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 terms of Ms C and Mr P's policy and the circumstances of their claim, to decide whether I think Admiral treated them fairly.

First, it's important I make clear our role. We are independent and impartial of both consumers and the financial businesses we cover. We investigate complaints brought by individual consumers to decide whether we think - based on the facts and evidence of each specific case - a financial business has done something wrong which it needs to put right.

It's also important I explain that no travel insurance policy covers every eventuality. Generally, we consider that travel insurers are entitled to decide what risks they do and don't want to cover. And each travel insurer will generally set out the insured events it's chosen to cover and the risks it's chosen to exclude in the policy documentation.

So I've carefully considered the terms and conditions of this policy, as they form the basis of the contract between Ms C and Mr P and Admiral. Given Ms C and Mr P were unable to travel abroad, Admiral first considered their claim in line with the cancellation cover provided by the policy. Admiral has set out a list of the specific insured events it covers in the event that a policyholder has to cancel their trip. These are:

- *'The death, serious injury, serious illness or complications of pregnancy or childbirth of you, your travel companion, a close relative, a close business associate or anyone outside your home area you planned to stay with;*
- *You, your travel companion or anyone outside your home area that you planned to stay with is quarantined or called for jury service or as a witness in a court and a court official has refused to postpone it;*
- *Before travel you are made redundant from your current place of employment where you have worked continuously for at least two years;*
- *As a member of the British Armed Forces or Emergency Services, you or your travel companion has authorised leave cancelled due to an unexpected emergency;*
- *You have to stay at home if it is seriously damaged by fire, storm or flood or is burgled in the seven days before your trip departure or during your trip;*
- *Your passport or visa is stolen in a burglary at your home in the seven days before your trip departure and you are unable to obtain a replacement in time;*
- *You cannot travel to your intended destination due to the Foreign, Commonwealth & Development Office (FCDO) advice for your destination/location changing to as a minimum 'all but essential travel' after the purchase of your policy or after the booking of any individual trip, whichever is later.'*

Ms C and Mr P's trip wasn't cancelled as a result of any of the reasons I've listed above. So I don't think it was unfair for Admiral to conclude that the claim wasn't covered by the cancellation section of the policy.

Admiral also considered whether Ms C and Mr P's trip was covered by the 'Delayed or missed departure' section of the policy. This includes cover for holiday abandonment on the outward journey. The policy says:

*'We will pay up to the policy limits shown in your policy schedule if you decide to abandon your trip because the departure of your pre-booked aircraft, ship or train is delayed by more than 24 hours (or cancelled with no alternative transport available within 24 hours of the scheduled departure), **because of strike, industrial action, adverse weather conditions or a mechanical breakdown.**'* (My emphasis added).

The section of the policy also lists specific events which Admiral has chosen not to cover. I've listed below what I think are the relevant terms:

'We will not pay any claim:

- *for missed departure or delays caused by operational issues such as staff shortages, security delays, or delays at check in;*
- *for claims caused by technical issues such as computer system failure’.*

On the following page, Admiral has set out a concise table which lists the various reasons why a travel delay claim may be made and a corresponding tick or cross to show whether each reason is covered or not. In my view, the policy terms are sufficiently clear to highlight the level of travel delay (including abandonment) cover Admiral has chosen to provide. I also think the policy terms clearly set out the risks Admiral has chosen not to cover. I don't find that the policy terms are laid out in an unfair or misleading way.

Ms C and Mr P told us that their first flight was cancelled due to IT issues and the second flight was cancelled for operational reasons. Neither flight appears to have been cancelled due to strike, industrial action, adverse weather conditions or a *mechanical* breakdown. Instead, both flights seem to have been cancelled for reasons Admiral has specifically decided to exclude from cover. So I don't think it was unfair for Admiral to conclude that Ms C and Mr P's claim wasn't covered under the abandonment section of the contract either.

I sympathise with Ms C and Mr P's position because I appreciate they've been left out of pocket due to circumstances beyond their control. But I don't think there are any reasonable grounds upon which I could direct Admiral to pay their claim.

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 Ms C and Mr P to accept or reject my decision before 22 February 2024.

Lisa Barham
Ombudsman