

## **The complaint**

Mr and Mrs Y have complained that Astrenska Insurance Limited didn't refund the full amount they had spent on flights when they had to cancel their trip and make a claim on their travel insurance policy.

## **What happened**

In December 2022 Mr and Mrs Y purchased plane tickets for a trip due to begin on 5 April 2023. Unfortunately, Mrs Y was then diagnosed with a serious illness in February 2023. They informed Astrenska, who said it was no longer willing to provide cover under the policy but gave them the option of making a cancellation claim. The claim was subsequently paid but Mr and Mrs Y are unhappy that a policy excess of £225 was deducted from the settlement amount.

Our investigator thought that Astrenska had acted fairly, in line with the policy terms, when assessing the claim. Mr and Mrs Y disagree with the investigator's view and so 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.

I've carefully considered the obligations placed on Astrenska by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Astrenska to handle claims promptly and fairly, and to not unreasonably decline a claim.

Looking at the policy terms, they state:

***'CHANGE IN HEALTH AFTER YOU HAVE PURCHASED YOUR POLICY***

*Should your medical situation change before you travel, and we are unable to continue providing cover, we will either allow you to make a claim for cancellation or, we allow to cancel your policy as per the terms and conditions shown on page 4-5.'*

Although Mr and Mrs Y say that, in the circumstances of Astrenska withdrawing cover, they were seeking a reimbursement of costs rather than making a cancellation claim, I'm satisfied that the above wording sets out the two options that were available to them – one of which being to make a cancellation claim. The policy doesn't contain an option for a full refund of costs.

The policy wording goes on to explain that excesses will be applied to any claim. Mr and Mrs Y don't dispute that their cover included an excess of £75 per person. As three people were due to go on the trip, the excess amount of £225 has been correctly calculated.

Mr and Mrs Y have quoted some wording from this service's website about how it would be expected that an insurer should cover the costs of cancelling a holiday if it withdraws cover entirely. I can see how this would lead them to assume that they would be entitled to a full refund of their costs. However, given the specific nature of the policy wording above, I'm satisfied that Astrenska has acted in line with the terms and conditions to refund the costs, minus the applicable excess.

I have a great deal of sympathy for Mr and Mrs Y's situation. But, overall, I'm satisfied that it was fair and reasonable for Astrenska to deduct the excess from the settlement amount.

### **My final decision**

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs Y to accept or reject my decision before 7 March 2024.

Carole Clark

**Ombudsman**