

The complaint

Mr and Mrs K complain that Astrenska Insurance Limited unfairly declined a claim they made on their travel insurance policy.

What happened

Mr and Mrs K had booked a five day holiday abroad. Two days before they were due to fly their flights were cancelled due to industrial action.

The airline refunded their flights as there were no alternative flights available for three days. Mr and Mrs K tried to book with three other airlines but were unable to as there were no seats available in the two days after their scheduled departure date. Mr and Mrs K claimed for their unused accommodation costs.

Astrenska declined the claim on the basis there was no cover under the policy. Mr and Mrs K complained but Astrenska maintained their decision. Unhappy, Mr and Mrs K complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. She didn't think Mr and Mrs K's claim fell within the scope of cover. Mr and Mrs K didn't agree and asked an ombudsman to review the complaint. In summary, they said there was cover for the fact that they were delayed and had to abandon their trip.

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.

Astrenska has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions

Mr and Mrs K took out their annual policy in February 2023 so I'm satisfied that the policy terms dated August 2022 are most likely the correct terms linked to their policy.

I don't think the 'Cancelling your trip' section applies to Mr and Mrs K's circumstances as they didn't cancel their holiday for any of the reasons listed in the 'what is covered' section. But I've considered the other sections of cover which may provide a benefit, which are 'Missed departure from the UK' and 'Delay and abandonment'.
The relevant sections explain what is covered:

Missed departure from the UK

Description of Cover

1. Additional travel and accommodation costs to get you to your destination if you are delayed on the way to your departure point in the UK and this causes you to miss pre-booked transportation. Or

2. If the only reasonable alternative transport means you will lose more than 50% of your trip, you can claim for unused travel and accommodation costs under "Cutting Short Your Trip".

What is Covered

1. Delay or cancellation of public transport due to:

- a. Industrial action
- b. Bad weather not including anything listed as a natural catastrophe
- c. Technical fault of transportation including bird strikes
- d. Shortage of crew

2. The vehicle you are travelling in is involved in an accident, breaks down, is delayed by an incident that causes traffic jams or road closures.

3. The flight you are travelling on is diverted.

Delay and abandonment

Description of Cover

1. Delay

Delay cover pays out a set amount for each 4 hours your transport is delayed due to one of the reasons listed under "What is Covered". Cover is only valid if you travel to your place of departure. We will pay up to the sum insured which applies to your trip, not each time you are delayed.

What is Covered

- 1. Industrial action.
- 2. Bad weather not including anything listed as a natural catastrophe.
- 3. Technical fault of transportation including bird strikes.
- 4. Shortage of crew.

2. Additional transport costs

If you are outside the UK and delayed by at least 24 hours beyond your original return date, we will pay for additional transport costs to return you home when these are not paid by your travel provider. See information on compensation while travelling.

3. Abandonment

If you are on the outward leg of your journey from the UK and delayed by at least 12 hours, you can claim for unused travel and accommodation costs.

'Public Transport' is defined as:

A company operating under a licence to carry passengers, working to a published timetable and /or published fares. This includes but is not necessarily limited to airlines, taxi firms, coach, ferry, and rail operators.

Did Astrenska fairly decline the claim?

I'm not upholding this complaint because:

- Under the 'Delay and abandonment section' there is cover for both delay and abandonment due to industrial action. However, cover is only valid if you travel to your place of departure. Mr and Mrs K didn't travel to their place of departure as their flight was cancelled before they left home.
- The 'Missed departure from the UK' cover is only valid if Mr and Mrs K were delayed on the way to their departure point. That's not what happened in the circumstances of this case.
- Travel insurance doesn't cover every eventuality. Unfortunately, Mr and Mrs K's circumstances aren't covered by the policy terms and conditions.
- I've thought about whether it's fair and reasonable to depart from a strict interpretation of the policy terms and conditions. I don't think that it is. Lots of travel insurance policies don't cover this set of circumstances or charge an additional premium for a higher level of cover for travel disruption. So, I can't fairly conclude that Astrenska should cover these circumstances when they are specifically excluded from cover in this policy and lots of other travel insurance policies.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs K to accept or reject my decision before 27 March 2024.

Anna Wilshaw
Ombudsman