

The complaint

Mr and Mrs H have complained that U K Insurance Limited ('UKI') has unfairly declined their claim.

What happened

Mr and Mrs H have a travel insurance policy through their bank account, underwritten by UKI.

They travelled abroad and were denied boarding as Mrs H tested positive for Covid-19, so they had to isolate and missed their cruise.

Mr H called UKI and decided to stay abroad, accepted a voucher from the cruise company, caught up with their itinerary after the cruise and returned home on their original flight.

Mr and Mrs H used the voucher for a further cruise and made a claim to UKI for their additional flight costs. Mr H says he mitigated UKI's costs by remaining on the original trip and it would have had to pay a lot more had they been repatriated. He says if he had been told that his additional costs for the new cruise wouldn't be covered, he wouldn't have stayed abroad, would have returned and booked a new trip.

Mr and Mrs H complained to UKI but it explained there was no cover for their additional flight costs for the new cruise under the terms of the policy.

Unhappy, Mr and Mrs H referred their complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think UKI had done anything wrong.

Mr and Mrs H disagreed and in summary, have made the following comments:

- The insurer didn't provide proper information for Mr and Mrs H to make an informed decision.
- They mitigated costs and so should be able to claim the new flight costs.

So the case has been passed to me for a final 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 don't think this complaint should be upheld. I'll explain why.

The background to this complaint is well known to both parties so I won't repeat the facts here. I have considered everything Mr and Mrs H have said in detail even if I don't explicitly refer to their comments. Instead, my decision will only focus on what I consider to be key to

my conclusions. This isn't meant as a discourtesy to Mr and Mrs H but reflects the informal nature of our service.

- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.
- The policy terms and conditions make up the contract of insurance between Mr and Mrs H and UKI. The policy lists the events covered.
- In this case, Mr and Mrs H missed part of their trip due to having to isolate. UKI covered their additional hotel expenses under the curtailment section.
- Mr and Mrs H decided to continue with their trip (minus the cruise) and return on their original flights. So the only loss they incurred during that trip was the cost of the cruise. They used their return flights as planned and received a voucher from the cruise company.
- The policy doesn't cover costs which are recovered elsewhere. As Mr and Mrs H didn't 'lose' the cruise costs, they accepted a voucher, they have recovered the cost. So UKI isn't liable for the cost of the cruise.
- Mr and Mrs H say they mitigated costs by remaining abroad and could have been repatriated. This would have meant that UKI would have paid for their flights to return. And they could have claimed for the unused costs of the remainder of the trip and re-booked another trip at their leisure.
- I can't fairly ask UKI to pay costs which aren't covered under the policy. Mr and Mrs H chose to stay on the trip and continue with their trip after the cruise and return on their original flight. And so they haven't lost out on the remainder of their trip. They have confirmed they booked a further cruise using the voucher/credit from the original cruise.
- The additional flight costs for the new cruise can't be claimed from UKI as Mr and Mrs H would then effectively have been on two trips with the flight costs of one trip being paid by UKI. I don't think that produces a fair and reasonable result as they didn't curtail the whole of their original trip. And there is no cover for additional flights in their circumstances.
- I am sorry to disappoint Mr and Mrs H but I don't think it's fair to ask UKI to pay their flight costs for their second trip as UKI covered their insured losses for the partially disrupted trip, in line with the policy terms and conditions.

My final decision

For the reasons set out above, I don't uphold this complaint.

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

Shamaila Hussain
Ombudsman