

The complaint

Mr M and Miss T have complained that TICORP Limited mis sold a travel insurance policy.

What happened

Miss T bought a travel insurance policy through TICORP. She was unable to travel due to a problem during her pregnancy. She made a claim which the insurer declined as her specific problem wasn't covered under the terms of the policy.

Miss T complained to TICORP and said it had mis-sold the policy as she had made it clear during the sales call that pregnancy cover was important to her.

TICORP didn't think the policy had been mis-sold so Miss T referred her complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think the policy had been mis-sold. However, he did think TICORP could have made it clearer to Miss T that the cover was for specific complications of pregnancy only, as set out in the terms and conditions. For this, he recommended £100 compensation.

Miss T disagreed and said she would have bought an alternative policy if she had been given clear information.

So the case 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.

Having done so, I uphold this complaint, in part, and think TICORP should pay Miss T £100 compensation for not providing clear information about the policy limits for pregnancy related complications. I'll explain why.

During a non-advised sale, a seller should ensure it provides clear and not misleading information. It does not have to ensure that the policy is suitable – that is the case for advised sales only.

Miss T says had she been told that she was only covered for specific complications of pregnancy, she would have bought an alternative policy which covered all complications and has provided details of some policies she has found online.

At the time Miss T called TICORP, she was asking about timescales.

The telephone call

I've listened to the sales call. Miss T called and asked: *"At what point do you not cover pregnant ladies?"*

Miss T said she had looked online that it was 8 weeks before her due date. The adviser confirmed that if the expected due date was less than 8 weeks after the end date of the booked trip then no cover would be provided for any claims related to complications of pregnancy.

Miss T agreed to complete a quote over the telephone for a single trip travel insurance policy. At the end of the call, the adviser confirmed all policies have a 14-day cooling off period.

Miss T wanted to check she was covered immediately and the adviser confirmed that she would be. The call was then transferred to the automatic terms and conditions.

Having listened to the call in full, I think the adviser provided clear information about the expected due date. This was the question Miss T called to ask. Once the adviser confirmed Miss T would be covered based on the expected due date, she agreed to go ahead with the quote. The adviser then asked what was most important for Miss T and she confirmed it was the pregnancy cover. The adviser confirmed she would be covered.

I have to consider the adviser's comment in context. At the point the adviser said Miss T would be covered, they had already established that Miss T would not have less than 8 weeks before her expected due date at the end of the trip. The adviser did mention complications of pregnancy. And although she didn't confirm there was a specific definition in the policy wording, I don't think this would have made any difference to Miss T's decision to go ahead.

Even if the adviser had told Miss T that the policy only covered specified complications, I'm not satisfied that she wouldn't have gone ahead with the policy. The list of complications covers the main problems, in common with many other policies.

The policy definition says:

“Complications of pregnancy and childbirth – The following conditions only: toxæmia, gestational hypertension, pre-eclampsia, ectopic pregnancy, hydatidiform mole (molar pregnancy), post-partum haemorrhage, retained placenta membrane, placental abruption, hyperemesis gravidarum, placenta praevia, stillbirths, and miscarriage, or any premature births more than 8 weeks (or 16 weeks in the case of a known multiple pregnancy) prior to the expected delivery date including; medically necessary emergency caesarean sections, or medically necessary terminations. Please note: No cover will be provided for claims relating to complications of pregnancy and childbirth where the expected date of delivery is less than 8 weeks (16 weeks for a multiple birth) after the end date of your booked trip.”

Had Miss T been directed to this definition, it's more likely than not that she still would have gone ahead with the policy as she could not have known that she would suffer a complication of pregnancy (leaking waters) a few hours later which wasn't contained in the definition.

Additionally, the policy terms were sent to Miss T and she was advised to read the policy. Even though she said she had to go into hospital 6 hours later, as she says pregnancy cover was very important, I would expect her to check the policy wording carefully to ensure she was fully covered.

As Miss T has said she hadn't previously travelled whilst pregnant and she couldn't have known that she would need to attend hospital, I don't think it's likely that she would have looked for an alternative policy once she had read what she would be covered for.

So overall, I think the adviser could have directed Miss T to the definition in the policy and not doing so meant Miss T was under the impression that all complications of pregnancy were covered. For this, I think £100 compensation is appropriate for the shock Miss T would have felt when she discovered that her specific complication wasn't covered. However, I am satisfied that the adviser provided enough information and the terms which were clear about the complications of pregnancy. So I don't think the policy was mis-sold.

My final decision

For the reasons set out above, I uphold this complaint in part and direct Avanti to pay Miss T £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss T to accept or reject my decision before 18 July 2024.

Shamaila Hussain
Ombudsman