

The complaint

Ms E and Mr R have complained that Cowen Insurance Company Limited ('Cowen') hasn't settled their claim properly.

All reference to Cowen includes any agents acting on its behalf.

What happened

Ms E and Mr R have a travel insurance policy underwritten by Cowen. They went abroad on holiday but were delayed during their return journey. So they made a claim.

Cowen agreed to pay the expenses incurred but didn't pay any further benefit for the trip delay so Ms E and Mr R complained. Unhappy, they referred their complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint and said Cowen should pay the maximum benefit under the section where no expenses are incurred.

Cowen disagreed and 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.

I issued my provisional decision on 5 April 2024 in which I said:

"Having done so, I think this complaint should be upheld. I'll explain why.

The trip delay section says:

"If your trip is delayed...we'll reimburse you for the following expenses...up to the maximum benefit...

- 1. If you've been delayed for more than 4 hours, you'll be reimbursed for prepaid expenses and additional expenses including meals, accommodation, communication and transportation. You'll be reimbursed up to £100 for the first complete 4 hours, and then £100 for each hour thereafter (maximum £500). Proof of purchase is required (e.g. credit or bank statement).*

Or

If no expenses incurred while you're delayed (for more than 4 hours) then you'll be reimbursed up to £70 for the first complete 4 hours, and then £70 for each hour thereafter (up to a maximum of £350.)"

Ms E and Mr R incurred expenses of £216.47. Cowen paid these expenses. It didn't

pay any further benefit for the trip delay.

The way the policy is worded says that they will be reimbursed their expenses. It then says they will be 'reimbursed' up to £100 for the first 4 hours and £100 for each hour afterwards. The next paragraph relates to no expenses and a reimbursement of £70 for the first four hours and £70 per hour after that.

So that reads to me that Ms E and Mr R would be paid either £70 or £100 per hour for a delay (depending on whether they incurred expenses or not) up to the maximum limit.

The wording isn't clear and so any ambiguity goes in Ms E and Mr R's favour.

As the total delay was for over 10 hours, the maximum benefit applies. So Cowen should pay the maximum benefit for three travellers at £500 per traveller, making a total of £1,500. It can deduct the costs already paid (£216.47) as the expenses paid fall within the maximum limit of the trip delay section."

Cowen hasn't responded. Ms E and Mr R did respond and said they have not received the £216.47 expenses yet. And so they are due the full £1,500 under the trip delay section.

As Cowen hasn't responded, I don't see any reason to depart from my overall provisional findings which I now adopt as my final decision. But Cowen should pay the full maximum benefit of £1,500 on the basis that it hasn't paid the expenses it had agreed to pay, so there is no need to make a deduction.

My final decision

For the reasons set out above, I uphold this complaint and direct Cowen Insurance Company Limited to pay Ms E and Mr R the maximum benefit of £1,500 under the trip delay section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E and Mr R to accept or reject my decision before 21 May 2024.

Shamaila Hussain
Ombudsman