DRN-4761274

The complaint

Miss M and Mr W have complained that Admiral Insurance (Gibraltar) Limited declined a claim they made on a travel insurance policy. They have also complained about poor service during the claims process.

As it is Mr W leading on the complaint, I will mostly just be referring to him in this decision.

What happened

Miss M and Mr W were on holiday abroad in February 2023 when they were called home early due to Mr W's mother's deteriorating health. They therefore made a claim on the policy for the extra costs incurred.

Admiral declined the claim on the basis that the circumstances are not covered under the policy terms.

In responding to the complaint, Admiral accepted that its service hadn't met the expected standard. So, it apologised and paid £200 compensation for the distress and inconvenience caused. However, it maintained that the claim had been correctly declined.

Our investigator thought that Admiral had acted reasonably in declining the claim. She also thought that the offer of £200 compensation was a fair response to the complaint.

Mr W disagrees with the investigator's opinion 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 Admiral by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Admiral to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.
So, I've considered the terms of the policy held, as this forms the basis of contract between the parties.

Under the heading 'Medical conditions of other people your trip depends upon', it states:

'We will not pay any claim related to a pre-existing medical condition of other people whose health may affect your decision to travel or remain overseas such as a close relative, travel

companion, close business associate or any person you have arranged to stay with, which they had at the start or renewal of your policy or when you booked a trip (whichever is later).

You can make a claim if you have to cancel or cut short your trip because of their death, serious illness or serious injury, providing it's not related directly or indirectly to any pre-existing medical condition.'

Additionally, the insurance product information document (IPID) states:

'*What is not insured?*

Pre-existing medical conditions of non-travelling relatives or of those whose health may affect your decision to travel or remain overseas: this exclusion applies regardless of whether you were aware of the condition or not.'

Mr W's mother unfortunately later succumbed to her illness and died on 5 March 2023. The medical certificate sent to the GP asked if the death was related to any pre-existing conditions, to which the GP responded: 'Congestive heart failure secondary to ischaemic heart disease…' This condition was said to have been diagnosed in June 2021.

Based on the available evidence, I'm satisfied that Mr W's mother had a medical condition that was present at the time the policy was taken out, and that this condition was the reason for the holiday having to be cut short.

I have a great deal of sympathy for Mr W's situation. He could not have known that his mother's health was going to deteriorate so badly at that point in time. I'm sorry for the loss. And I also appreciate that having to make a claim during his mother's end of life added to the already high level of stress. However, the matter at hand is whether the circumstances are covered under the policy terms – and I'm afraid to say that they are not.

I've thought very carefully about what Mr W has said. But overall, I consider that Admiral correctly declined the claim, in line with the policy terms and conditions.

Looking at the claims handling, it is clear that there were errors and unnecessary delays. For example, the time it took Admiral to request the medical certificate and sending the wrong forms. Admiral doesn't dispute this and has apologised and offered £200 compensation.

As an alternative dispute resolution service, our awards are more modest than Mr W might expect and likely less than a court might award. On balance, I'm satisfied that £200 is a reasonable amount of compensation for the distress and inconvenience caused.

My final decision

For the reasons set out above, I do not uphold the complaint. I understand that Admiral Insurance (Gibraltar) Limited has already paid the £200 compensation, therefore I am not asking it to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M and Mr W to accept or reject my decision before 17 July 2024.

Carole Clark
Ombudsman