

The complaint

Mr C and Ms R complain about the way that Zurich Insurance PLC has handled a claim they made on a travel insurance policy.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the key events.

Mr C and Ms R were abroad on holiday in a country I'll call M. Unfortunately, Mr C's close relative became very unwell and later sadly passed away. So Mr C and Ms R cut short their trip and made a curtailment claim on the policy.

Zurich accepted and partly settled Mr C and Ms R's claim. It paid the costs of amending a flight from M to another country I'll call B and the cost of an internal flight in M. But it said it required further information about Mr C and Ms R's trip before it could consider paying any more of the costs Mr C and Ms R had claimed for. However, it acknowledged there'd been delays in its handling of the claim and so it paid Mr C and Ms R total compensation of £300.

Mr C and Ms R were unhappy with the way Zurich had handled their claim. They felt they'd provided more than enough evidence to substantiate the costs they'd claimed for. So they asked us to look into their complaint.

Our investigator didn't think Mr C and Ms R's complaint should be upheld. In brief, he didn't think it was unfair for Zurich to require more information from Mr C and Ms R before it agreed to pay any further costs.

I issued a provisional decision on 23 April 2024 which explained the reasons why I thought Mr C and Ms R's complaint should be partly upheld. I said:

'The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Mr C and Ms R's policy and the circumstances of their claim, to decide whether or not Zurich has treated Mr C and Ms R fairly.'

*I've first considered the policy terms and conditions, as these form the basis of the contract between Mr C, Ms R and Zurich. As this trip was cut short due to the illness of Mr C's father, I think it was reasonable and appropriate for Zurich to consider the claim under Section A of the policy. This says that Zurich will pay for any non-refundable **unused travel and accommodation costs** and other pre-paid charges a policyholder has paid with any reasonable **additional travel expenses** incurred if a trip has to be curtailed because of the illness or death of a policyholder's close relative.*

Page 10 of the policy sets out a list of 'claims conditions'. This includes the following:

'You or Your legal representatives must supply at Your own expense all information, evidence, details of household insurance and medical certificates as required by Us. We

reserve the right to require You to undergo an independent medical examination at Our expense. We may also request and will pay for a postmortem examination.'

In my view, Zurich has made it clear that it requires a policyholder to provide evidence to support their claim. This isn't an unusual term in travel insurance policies. And it's a general principle of insurance that it's a policyholder's responsibility to provide enough evidence to show they have a valid claim on their contract of insurance.

It's clear that there's been a great deal of correspondence between Mr C and Ms R and Zurich during the course of this claim, which has now spanned around 18 months. While I agree with our investigator that it isn't our role to handle claims, it seems to me that both parties in this case have become somewhat entrenched in their positions and that there's no clear way forward. So within this provisional decision, I've carefully considered the documentary evidence Mr C and Ms R have been able to provide, along with the table of costs they say are outstanding, to decide which costs I think have been sufficiently evidenced in order to allow Zurich to assess their claim further.

The flight costs

Mr C and Ms R have included the costs of Mr R's pre-booked flight from the UK to B and then Mr R's pre-booked return flight from B to M in their claim. As I've set out above though, the policy only covers unused travel expenses. It seems to me that the majority of these particular costs apply to Mr R's used outbound flights, which wouldn't be covered by the policy terms. And it appears that Zurich has already settled the amendment cost of Mr R flying from M to B.

Nonetheless, Mr C has provided a copy of his original flight booking showing a pre-booked return flight from B to the UK, which was scheduled for 13 December 2022. However, the evidence indicates that Mr C had to pay for a new, earlier flight from B back to the UK. It isn't at all clear that the original flight cost was transferred or refunded. In my view, Mr C has sufficiently evidenced this part of his claim. So I currently think Zurich should reassess this part of Mr C's claim, in line with the remaining terms and conditions of the policy. I would add though that the original booking invoices don't include Ms R. So it isn't at all clear that Ms R was originally planning to travel to or from the UK as part of the arranged booking. And therefore, I don't think it would be fair for me to direct Zurich to consider her travel costs here.

Accommodation costs

I think much of the confusion surrounding this claim relates to the lost accommodation costs Mr C and Ms R have claimed for. And I think that's largely because while they've provided booking emails for two accommodation providers, they seem to have paid one hotel a substantial amount of money on 25 November 2022, even though an email states their booking was cancelled for free. Mr C has now clarified that he and Ms R had booked at that particular hotel from 5 until 12 December 2022 via a booking website. It seems they were charged for staying at the hotel ahead of their stay. But it appears that Ms R and Mr C were able to cancel those dates for free. Instead, they say they arranged a further two nights at the hotel which couldn't be refunded – at a cost of £180. And it's those two nights they're claiming for.

In my view, it would be helpful if Mr C and Ms R could provide something to show what refund they were paid from the hotel – which would demonstrate any costs they didn't get back. Or if they could obtain evidence from the hotel which shows that they did incur the unused costs of a two-night stay which couldn't be refunded. It would then be open to send this evidence to Zurich for its assessment. Based on the information we have though, I'm not

satisfied that Mr C and Ms R have demonstrated they've suffered this particular loss.

Mr C and Ms R have also claimed for a hotel stay between 2 and 4 December 2022. But the claim form says their trip was curtailed on 4 December 2022. So I don't currently think it's sufficiently clear that Mr C and Ms R weren't able to make use of their hotel booking as a result of the claim.

On that basis then, I don't currently think Mr C and Ms R have shown they have a valid claim for the accommodation they've claimed for.

Other costs

Mr C and Ms R have also claimed for the cost of a taxi in M and a train journey for Mr C from a city in the UK to a UK airport. Zurich accepts that it can be difficult for policyholders to substantiate taxi costs. It says though that it needs some further information from Mr C and Ms R about the purpose of the taxi before it can consider this part of the claim further. However, I think it would be fair and reasonable for Zurich to reconsider this part of Mr C and Ms R's claim as part of its overall reconsideration of their travel costs. It's open to Zurich to ask Mr C and Ms R for the information it needs to determine whether this part of the claim is otherwise covered.

Mr C has also claimed for the cost of a train from one UK city to another. However, this appears to have been bought in advance of Mr C's trip and it seems it related to his outbound travel. So based on what I've seen, this appears to be a 'used' travel cost and therefore not covered.

Compensation

Zurich has already paid Mr C and Ms R £300 compensation for its delays in its handling of this claim. In my view, Zurich had enough information to consider the flight costs I've set out above and I think it could have provided Mr C and Ms R with more guidance as to exactly why it didn't think they'd substantiated the accommodation claim. So I do think it's caused Mr C and Ms R some additional, unnecessary frustration and upset. And therefore, I currently think it should pay them a further £100 compensation to reflect this.

I've set out above how I think this claim should progress and what aspects of it I think Zurich should reassess. As I've said, I'm not a claims handler. So if Mr C and Ms R have any further claims evidence to provide which Zurich hasn't yet seen, they'll need to provide this directly to Zurich for its assessment. It wouldn't be appropriate for me to make a finding on any evidence Zurich hasn't had an opportunity to consider.'

I asked both parties to send me any additional evidence or comments they wanted me to consider.

Mr C and Ms R accepted my provisional decision.

Zurich didn't accept my provisional findings and I've summarised its response:

- *It didn't agree that it should cover the cost of the unused flight from B to the UK. That's because it didn't think there was sufficient evidence from the airline that the cost wasn't refunded or that it wasn't transferred to another flight. And it said the booking invoice didn't show that the flight was non-refundable;*
- *There was no evidence that Ms R had been in the UK at the start of the trip. And therefore, any costs for her shouldn't be considered until she'd evidenced that her trip*

began and ended in the UK and was within the trip limits;

- It said it had asked Mr C and Ms R several times whether the taxi costs would always have been incurred or whether they were incurred as part of the curtailment. And it said it hadn't received a satisfactory answer. It maintained it would agree to pay this cost as a gesture of goodwill subject to it being satisfied that all other evidence has been provided to allow it to pay the claim;
- It didn't agree that further compensation should be paid. It considered the delays in handling the claim were outside of its control and that Mr C and Ms R had failed to provide evidence they'd been asked for. It felt it had spent some time in trying to assist Mr C and Ms R, who hadn't cooperated with its requests. And it added that it had spent a great deal of time and resources on dealing with the claim.

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, my final decision is the same as my provisional decision and for the same reasons. I'll explore this further.

I've looked closely at the booking invoice for both Mr C's original flight from B to the UK and the flight he booked following the holiday curtailment. There is nothing on the second invoice to indicate that the cost of Mr C's original flight was transferred to the earlier flight – and indeed, the earlier flight cost substantially more than the original flight. I've looked at the airline's terms and conditions and there's nothing to indicate that any refund of Mr C's booking would be due in these particular circumstances. So while I accept a no-show letter from the airline would have been helpful to prove this aspect of Mr C's claim, I do think, on these specific facts, he has sufficiently demonstrated a loss which appears to be covered by the policy terms. And therefore, I am still satisfied that Zurich should reassess this part of the claim in line with the policy terms and conditions.

As I set out in my provisional decision, I accept that there's currently no evidence to suggest Ms R planned to travel to or from the UK. I agree that there's insufficient evidence that her own journey was within the trip limits. I don't think it would be unreasonable for Zurich to require further evidence from Mr C and Ms R to evidence whether Ms R's own costs are covered as part of any further reassessment of the claim or in the event Mr C and Ms R provide further evidence of the hotel cost.

Zurich feels that Mr C and Ms R haven't complied with its requests for information about the purpose of the taxi costs. I've borne this in mind. But as I set out in my provisional decision, I think Zurich should reassess this cost subject to any further evidence it requires. My view on this point remains unchanged. And I don't think it would be fair or reasonable for these costs only to be considered if the remainder of the claim is otherwise evidenced. So I still find that Zurich should reassess this cost in line with the remainder of the policy terms and conditions.

I'd add that I haven't directed Zurich to *pay* either for Mr C's flight from B to the UK or the taxi cost. Instead, my direction is for Zurich to *reassess* these costs, in accordance with the contract terms.

It's clear Zurich feels strongly that no further compensation should be paid. I appreciate that there has been a great deal of correspondence between Mr C and Zurich and that, at times, Zurich has asked for information and hasn't received the evidence it's asked for. But I still think Zurich should have provided Mr C and Ms R with more specific guidance about exactly

what evidence it needed in order to progress this claim. And I find it had enough information to make a claims decision regarding Mr C's return flight from B to the UK. As such, while I've carefully considered Zurich's comments, I remain satisfied that it must pay Mr C and Ms R an additional £100 compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I partly uphold this complaint.

I direct Zurich Insurance Plc to:

- Reassess Mr C's claim for his original pre-booked flight from B to the UK, in line with the remaining terms and conditions of the policy;
- Reassess Mr C and Ms R's claim for the taxi costs, subject to any further evidence it requires and in line with the policy terms and conditions; and
- Pay Mr C and Ms R a further £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Ms R to accept or reject my decision before 1 July 2024.

Lisa Barham
Ombudsman