

## **The complaint**

Miss D has complained that Red Sands Insurance Company (Europe) Limited declined a claim she made on a travel insurance policy.

## **What happened**

Miss D was on holiday abroad and due to return to the UK on 17 November 2023. However, her car was caught in severe flooding on the way to the airport, causing the engine to cut out. Matters became even worse as the car started to fill with water. Miss D was forced to exit the vehicle and was waist deep in flood water. After some hours, she was rescued by the police and spent the rest of that day and night at the police station until the flood waters had receded. Having missed her booked flight, she made a claim for the cost of the new return flight she had to purchase.

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

Our investigator thought that Red Sands had acted reasonably in declining the claim. Miss D 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 Red Sands by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Red Sands 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.

Miss D feels her claim should be considered due to missing her return flight as the result of a natural disaster.

The policy does set out a definition for 'Natural catastrophe', which includes 'flood'. But the part of the policy that relates to catastrophe only provides a benefit where pre-booked accommodation is unusable due to a natural disaster such as flooding. It doesn't provide cover for missed flights.

The most relevant part of the policy here is the 'Missed departure and Travel delay' section. That states:

### *'Missed Departure*

*We will pay up to the amount shown in the schedule of cover:*

*for necessary travel and accommodation expenses required to reach your booked destination, if the vehicle in which you are travelling to your international departure point becomes undrivable due to mechanical failure or being involved in an accident or your public transport is delayed, preventing you from being able to check-in on time for your outward departure from the United Kingdom, Channel Islands, Isle of Man or BFPO.*

*Provided:*

- 1. you have allowed sufficient time to check-in as shown on your itinerary.*
- 2. you have paid your excess or accepted it will be deducted from any settlement.*

*Or*

### *Travel Delay*

*We will pay up to the amount shown in the schedule of cover for each full 12 hours delay if: the departure of your international flight, international train or sailing is delayed for more than twelve (12) hours from its scheduled departure time from your international departure point.*

*Provided:*

- 1. you are not claiming for additional expenses if you are forced to cut short your trip or any expenses for loss of accommodation, loss of car hire expenses, loss of excursions or any loss not specified in the policy.*
- 2. you are at the airport/port/station and the delay is over twelve (12) hours.*
- 3. delay is not due to the diversion of aircraft after it has departed.'*

Looking at the wording of the 'Missed Departure' section above, it doesn't cover Miss D's circumstances on two fronts. Firstly, a vehicle becoming undriveable due to adverse weather and/or flooding is not listed as an insured peril. Secondly, cover is only provided for missed departures from the UK. There is no cover for flights returning to the UK.

The 'Travel Delay' section is not relevant because Miss D's return flight was not delayed.

I've also looked at the remainder of the policy wording to see if there are any other sections under which the claim could be considered. However, the circumstances Miss D found herself in do not fall within the scope of the wider policy terms.

I have a great deal of sympathy for Miss D's situation. She was caught up in a frightening episode that was outside of her control. It must have been an extremely stressful ordeal. However, the question I have to consider is whether the circumstances of Miss D being unable to get to the airport and missing her return flight are covered under the policy terms – and unfortunately, I don't think they are.

I've thought very carefully about what Miss D has said. However, on balance, I'm satisfied that it was reasonable for Red Sands to decline the claim, in line with the policy terms and conditions. Therefore, whilst I know it will be disappointing to Miss D, I'm unable to conclude that Red Sands has done anything wrong. It follows that I do not uphold the complaint.

**My final decision**

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 4 July 2024.

Carole Clark  
**Ombudsman**