

The complaint

Mr S has complained that Zurich Insurance PLC discriminated against him due to his age in relation to an annual travel insurance policy.

What happened

Mr S has been annually renewing his travel insurance policy for a number of years. Upon renewal in 2023 it told him that, as he was now over 65, it would no longer provide winter sports cover. Cover in relation to the number of days he could be away per trip was also reduced.

Our investigator thought that Zurich had acted reasonably, as it was a commercial decision to limit cover for policyholders over the age of 65. Mr S disagrees 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.

Mr S says that changing his policy simply based on passing a randomly selected date is ageist and discriminatory. He says his health didn't change upon turning 66 and that Zurich has never asked him about that or any other relevant questions, such as about his skiing ability. He says that any loyal customer should be able to expect the conditions and premiums of their policies to be fixed for life.

However, Mr S's policy isn't individually underwritten, based on his particular circumstances. Instead, the general terms and cost of the policy are based on a wider set of metrics applicable to the wider population.

Mr S is adamant that Zurich has acted illegally in changing the level of cover due to his age.

In reaching my decision, I take into account relevant regulation, such as consumer duty, and where applicable, good industry practice. And I also have a mind to what the law says.

Our investigator is correct in stating that this service cannot make findings on whether or not the Equality Act 2010 has been breached, as that is a matter for the courts. However, I have thought about what a court might be likely to conclude since it is relevant when deciding what is fair and reasonable in this case.

Equalities legislation generally outlaws discrimination on the basis of specified characteristics, but there are some exceptions for insurance services. In Great Britain there is a specific exception that allows age to be taken into account in the provision of financial service products. The Equality Act 2010 permits insurers to continue to use age as a factor in designing, pricing and offering its insurance products provided they carry out a risk assessment involving age, and that it is based on relevant information from a source it's

reasonable to rely on. Such judgements have to be relevant and reasonable. For example, motor vehicle insurers are allowed to charge younger drivers more on the basis of statistical evidence that they are much more likely to make a claim.

Zurich is clear in its policy that it doesn't provide winter sports cover for the over 65s and that it limits single trip duration to 18 days.

It is not uncommon for insurers to give different weighting to certain risks and this will be considered as part of its underwriting criteria. Zurich has provided the information that underpins its risk appetite in this instance. Having considered it, I'm satisfied that its judgement in limiting cover to the over 65s is reasonably based on relevant information.

I don't know for sure, but I'm persuaded a court would likely find that the statistical data put forward by Zurich is a source which is reasonable for it to rely on.

I've thought about everything Mr S has said and I appreciate he finds the situation frustrating. However, overall, I don't think Zurich's decision to change his cover due to turning 66 is unfair.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 September 2024.

Carole Clark
Ombudsman