

The complaint

Mr C has complained that Euroins AD hasn't fully settled a claim he made on a travel insurance policy. He has also complained about poor service.

What happened

Mr C had booked a trip abroad beginning on 23 September 2023. However, he developed a bad back shortly beforehand and had to cancel the trip.

Upon making a claim on the policy, Euroins paid out for the unused travel and accommodation costs of the trip abroad. However, Mr C's claim had also included the cost of six nights' accommodation in the UK from 23 September 2023, which it declined to pay.

Our investigator thought that Euroins had settled the claim fairly, in line with the policy terms and conditions. However, he thought that Euroins had been responsible for some delay and poor service and so recommended that it pay £100 compensation for distress and inconvenience.

Mr C 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 Euroins by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Euroins 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.

Mr C cancelled the trip following a consultation with his GP on 12 September 2023. It was on 18 September 2023 that he booked the UK accommodation to begin on 23 September 2023. Mr C has recently explained that he had rented his property out for the period he was due to be away. Therefore, when he was unable to travel as planned, he had nowhere to stay. He therefore considers that the UK accommodation should be classed as emergency accommodation that would be covered under Section B, paragraph 4 of the policy, which states:

'Section B: Emergency Medical and Other Expenses

What is Covered

4. Reasonable additional transport (economy class) or accommodation expenses incurred, up to the standard of Your original booking, if it is medically necessary for You to stay beyond Your scheduled return date. This includes, with the prior authorisation of the Assistance Company, reasonable additional transport or accommodation expenses for a friend, Travelling Companion or Close Relative to remain with You or travel to You from Your Home Area or escort You and additional travel expenses to return You to Your Home if You are unable to use the return ticket. A maximum combined total of £2,000 can be claimed for this part if You need medical treatment for Covid-19 or You are compulsorily quarantined on the orders of Your treating Medical Practitioner due to Covid-19, suspected Covid-19 or exposure to someone who has been diagnosed with Covid-19, during Your Trip.'

Looking at the above term, it is clear that this relates to scenarios where a trip has already started and a policyholder is unable to return home as planned due to medical reasons. That is not what happened in Mr C's case as he had cancelled the trip.

Furthermore, the terms in Section 4 go on to state:

'Special Conditions Relating to Claims

2. All expenses and costs for accommodation and transport, including that provided by emergency repatriation services where medically necessary, must have the prior agreement of The Assistance Company.'

And whilst Mr C has said that the policy doesn't say it only covers expenses occurred whilst abroad, Section 4 also includes the following wording:

'What is Not Covered

i) Any expenses within Your Home Area.'

'Home Area' is defined as: 'means for residents of the United Kingdom Your Home Area means the United Kingdom.'

As far as I'm aware, Mr C didn't contact Euroins in advance of booking the UK accommodation to seek its agreement. And regardless of that, as the accommodation was in his home town in the UK, it is not an expense that would be covered under the policy.

Based on the available evidence, I'm satisfied that Euroins has settled the claim correctly, in line with the policy terms and conditions.

I'll now move on to the standard of service that Mr C received. I've seen evidence that Mr C was asked to provide information that he had already previously submitted, resulting in delays. He also received no response to a number of emails that he sent. In terms of his complaint, wording was used which might have led him to believe that he couldn't approach this service until after he'd received a final response letter. And there was then also a delay in providing the final response letter.

Mr C has explained that he suffers from anxiety which has been exacerbated by being unsure if the claim would be paid. He also says that, as a result, he had to make changes to the budget for his later travel plans.

As an informal dispute resolution service, our awards are more modest than Mr C might expect. I've thought about what Mr C has said about the circumstances sitting within the

higher bracket of compensation. However, on balance, I'm satisfied that £100 is reasonable compensation for the distress and inconvenience caused.

As I understand it, Euroins made the compensation payment to Mr C in July 2024. I know Mr C was unhappy about that as he did not want to accept it at the time. However, I'm unclear as to whether he returned it or retained it as an interim payment whilst awaiting this decision.

My final decision

For the reasons set out above, I partly uphold the complaint.

Euroins AD should pay the £100 compensation now if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 October 2024.

Carole Clark
Ombudsman