

The complaint

Miss D has complained that Astrenska Insurance Limited declined a claim she made on a travel insurance policy.

What happened

Miss D was undertaking a trip that entailed taking the Eurostar in December 2023. However, the train was cancelled shortly before departure due to flooding in the tunnel. Although Miss D received a refund of the Eurostar ticket, she made a claim on the policy for unused costs, such as for her hotel abroad.

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

Our investigator thought that Astrenska had acted reasonably in declining the claim, in line with the policy terms and conditions. Miss D 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.

I've carefully considered the obligations placed on Astrenska by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Astrenska 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.

Looking at the policy terms, under the 'Delay and Abandonment' section it states that cover is available:

'If this happened:

If you are on the outward leg of your journey from the UK and delayed by at least 12 hours, you can claim for unused travel and accommodation costs due to one of the reasons listed below.

- 1. Industrial action.*
- 2. Bad weather not including anything listed as a natural catastrophe.*
- 3. Technical fault of transportation including bird strikes.*

4. Shortage of crew.'

Furthermore, on page 15 of the policy document, it states:

'The following apply to all Trip Disruption sections of cover.

You are not covered for the following:

12. Anything not listed under "If this happened" under each section.'

Based on the above wording, had there been a technical fault of the actual train, it is likely that the claim would be covered. However, it was the tunnel that had problems due to flooding, which is separate from the transportation (train).

Miss D has argued that the train being unable to travel due to a flooded tunnel is akin to a plane being unable to travel due to a bird strike, which is covered under the policy. I can't agree this is the case. As our investigator has mentioned, a bird strike would cause damage to the actual plane, resulting in technical issues. In this instance there was no damage to the train due to the flooding.

Overall, I'm satisfied the policy is worded in such a way that the technical fault has to relate to the actual transportation, which in this instance is the train itself.

I have a great deal of sympathy for Miss D's situation. The circumstances of the train being cancelled were completely outside of her control. Therefore, she missed her trip and is out of pocket as a result. However, the question is whether those circumstances are covered under the policy terms – and unfortunately, they are not.

Miss D has said that she wouldn't have bought the policy if she had understood that this scenario wouldn't be covered. That would need to be a separate mis-selling complaint against the seller of the policy. This decision is only looking at the actions of Astrenska in declining the claim, as the underwriter of the policy.

Whilst I know it will be disappointing to Miss D, I consider that it was reasonable for Astrenska to decline the claim, in line with the policy terms and conditions.

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 5 November 2024.

Carole Clark
Ombudsman