

## **The complaint**

Mr S has complained that U K Insurance Limited (UKI) declined a claim he made on a travel insurance policy attached to his bank account.

## **What happened**

Mr S and his two children were due to go on a trip abroad beginning on 11 August 2023. Very sadly, Mr S's wife died on 8 August 2023. He therefore made a claim on the policy for cancellation and the cost of unused flights.

UKI declined the claim on the basis that the circumstances were not covered under the policy terms. This was because his wife's medical condition was known to him at the time that the trip was booked.

Our investigator thought that UKI had acted reasonably in declining the claim, in line with the policy terms and conditions. Mr S 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 UKI by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for UKI 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 'Specific Exclusions' on page 18, it states that the following is excluded:

### *'14.Ill-health of close relatives, colleagues and travelling companions*

*Any claim for cancelling or cutting short your trip due to the illness or injury of a close relative, a colleague or travelling companion if you were aware of one or more of the scenarios listed below in the 12 months leading up to you becoming an insured person, or the date when you booked your trip whichever is later:*

- *They have a medical condition that has resulted in inpatient treatment or being on a waiting list for hospital treatment.*
- *They have been given a cancer diagnosis.*
- *They have been given a terminal prognosis.'*

The definition of 'close relative' is:

*'Your partner and your:*

*. Parent, parent-in-law, step-parent or legal guardian.*

*. Child, child-in-law, step-child or foster child.*

*. Sibling, sibling-in-law, half-sibling or step-sibling.*

*. Grandparent or grandchild'*

Mr S's wife had been diagnosed with a type of cancer in February 2023.

UKI has settled a claim for two earlier trips due to those trips having been booked before the diagnosis date. However, Mr S booked this particular trip in June 2023. Therefore, because he knew about his wife's condition at the time he made the booking, UKI has relied on the above clause in the policy to decline the claim.

I think some confusion has been caused because UKI's complaint final response letter (FRL) of 12 October 2023 sets out the fuller list of specific exclusions, which also lists exclusions that directly relate to an insured travelling person. As such, it talks about conditions only being covered if they are declared and UKI has agreed to cover them. However, from Mr S's point of view, UKI already knew about his wife's condition, as a result of the earlier claims that had been made, which UKI had accepted.

His wife was a joint policyholder, so she would indeed have needed to declare any change to her health and seek UKI's agreement to cover any medical conditions before she would have been fully covered herself if undertaking any trips. However, as his wife wasn't due to travel on this occasion, I'm satisfied that the most relevant clause is in relation to his wife as a close relative, and the timings of her medical condition and booking of the trip.

Mr S thinks that UKI is using the fact that his wife was a joint policyholder as a technicality to decline the claim. He says that, if another family member had died, UKI would have paid out. However, the same exclusions would apply in that scenario. So, the policy would not pay out if a trip had to be cancelled due to the death of another family member if Mr S had an awareness of that person's medical condition (as defined in clause 14 of the specific exclusions section) prior to booking the trip.

Mr S says that the claim is due to the death of his wife, whereas the above clause only mentions illness or injury. However, I consider it was reasonable for UKI to conclude that his wife's death resulted from her illness.

I am so sorry for Mr S's loss. I can understand why he would assume that he'd be able to make a successful claim for such a terrible event. But as I mentioned above, insurance policies don't cover every eventuality. So, the matter at hand is whether the circumstances of Mr S cancelling the trip are covered under the policy terms – and I'm afraid to say that they are not.

I have a great deal of sympathy for Mr S's situation. But, overall, I'm unable to conclude that UKI did anything wrong in declining the claim. It was reasonable for it to do so, 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 Mr S to accept or reject my decision before 24 December 2024.

Carole Clark  
**Ombudsman**