

The complaint

Mrs L complains because Zurich Insurance PLC hasn't paid part of a travel insurance claim for a cancelled holiday.

Mrs L's complaint has been brought to us by her representative, Mr L.

What happened

Mr and Mrs L were both insured under a travel insurance policy provided as a benefit of their packaged bank account, underwritten by a different insurer. That insurer said it couldn't cover Mrs L's pre-existing medical conditions. So, Mrs L bought an annual travel insurance policy for herself, provided by Zurich, covering these pre-existing medical conditions.

Unfortunately, Mr and Mrs L needed to cancel an upcoming holiday that they were due to travel on. Mr L made a claim for his costs under the packaged bank account travel insurance policy. That claim is the subject of a separate complaint with our service. Mrs L made a claim under her policy with Zurich.

Zurich said, as Mr L wasn't insured under the policy, it wouldn't pay for any of his costs and paid only part of what Mrs L said were her share of the costs of the holiday.

Unhappy, Mrs L complained to Zurich before bringing the matter to the attention of our service.

One of our investigators looked into what had happened. He said he didn't think Zurich had acted unfairly or unreasonably by concluding that Mr L's share of the holiday costs weren't covered under this policy. But our investigator didn't think that Zurich had correctly calculated Mrs L's claim settlement and made recommendations for how Zurich should put this right.

Both Zurich and Mrs L accepted our investigator's recommendations in relation to Mrs L's share of the holiday costs. However, Mr L on behalf of Mrs L asked for an ombudsman to review Zurich's refusal to pay for Mr L's share of the holiday so the complaint has now been referred to me to make a final 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.

Mrs L's complaint as it relates to Zurich's calculation of the claim settlement for her share of the holidays costs is no longer in dispute. So, when making this final decision, I'm only considering Zurich's decision not to pay for Mr L's part of the claim.

Industry rules set out by the regulator say that insurers must handle claims promptly and fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when making my final decision about Mrs L's complaint.

It's clear from the testimony provided to our service that Mr and Mrs L paid for this holiday in equal shares. Mrs L is the sole insured person named on the policy schedule and the premium paid to Zurich was to cover the risk of claims relating to Mrs L as the insured person only.

I understand why Mr L wouldn't have travelled on holiday without Mrs L but, in order for Zurich to pay a claim for Mr L's share of the costs under this policy in these circumstances, Mr L would need to have paid a premium to Zurich and be listed on the policy schedule as an insured person.

I'm sorry to disappoint Mr and Mrs L. I accept they feel they have been left in an unfair position. But only Mrs L is insured under this policy, so Zurich isn't responsible for paying for Mr L's share of the cost of the holiday.

I don't think there are any reasonable grounds upon which I could fairly direct Zurich to accept Mr L's part of the claim, so I won't be asking Zurich to do anything more.

My final decision

My final decision is that I don't uphold Mrs L's complaint about Zurich Insurance PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 27 November 2024.

Leah Nagle
Ombudsman