

## **The complaint**

Mr and Mrs M have complained that Admiral Insurance (Gibraltar) Limited hasn't fully settled a claim they made on an annual travel insurance policy.

As it is Mr M leading on the complaint, I will mostly just be referring to him in this decision.

## **What happened**

Mr and Mrs M were on holiday abroad in October 2022, staying at a house owned by their wider family. They were due to return to the UK on 17 October 2022. However, Mr M became unwell and was hospitalised on 9 October 2022 for eight nights. After a spell of recuperating back at the house, they then returned to the UK on 21 October 2022.

Upon considering the claim, Admiral paid out a settlement amount of £767.59, less the excess on the policy.

Mr M thinks Admiral has missed off the costs for some other items and should additionally pay:

- £216.77 for five nights hotel accommodation for Mrs M near the hospital
- £43.42 for overnight hotel accommodation near the airport for an early flight home
- £98.09 for four extra days car hire
- £35.08 for emergency doctor call out fees

Our investigator concluded that, overall, Admiral had settled the claim fairly. That's because, although she thought it probably would have been fair for it to pay the cost of the emergency doctor, Admiral had overpaid the claim in other areas, so she didn't think it would be reasonable to ask it to pay anything more.

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

### Accommodation costs for 10-16 October 2022

After first undergoing tests at a local hospital, Mr M was transferred to a main hospital further away from where they were staying. Therefore, Mrs M booked a hotel room for seven nights to be near to the hospital.

Their bank statement shows three bill payments for this hotel – for £173.60, £43.17 and £87.85 for four nights, one night and two nights respectively.

Admiral has covered the bill for £87.85 for two nights. Mr M is asking for an extra £216.77 for the extra five nights (he has at times said it's £173.60 for five nights, but I think that's in error).

Looking at the policy terms, under the 'Emergency medical and repatriation' section, it states there is cover:

*'to cover additional costs for accommodation of a similar standard to the one booked for your trip if it is medically necessary for you to remain on your trip after the date you were due to return home.'*

The scheduled return date was 17 October 2022. So, this hotel booking was within the planned trip period. The above wording makes it clear that the policy pays out for accommodation costs incurred as a result of someone having to overstay for medical reasons.

It is entirely understandable why Mrs M would want to be close to the hospital. But the matter at hand is whether that circumstance is covered under the policy terms – and I'm afraid to say that it isn't.

Had additional accommodation costs been incurred from 17 October 2022, then they would have been covered. But as Mr and Mrs M returned to the house they'd been staying in, they didn't incur any such costs.

It appears that Admiral has paid the bill for £87.85 in error. As I understand it, it isn't asking for this amount back.

Overall, based on the available evidence, I'm satisfied that Admiral has acted reasonable in respect to this part of the claim.

### Airport hotel costs

Mr and Mrs M were getting an early flight home on 21 October 2022. They therefore booked a hotel near the airport the night before at a cost of £43.42. Mr M thinks that Admiral should cover this amount as they only had to book the hotel on this date due to their changed travel plans.

But, as part of their original plans, they had booked the hotel near the airport on 16 October 2022 to facilitate their scheduled return flight on 17 October 2022. Mr M has confirmed that Admiral has settled the cost of £43.92 for the unused accommodation on 16 October 2022.

So, Mr M has only paid for one night at this hotel, which he was always going to do. Mr M has mentioned that he is not asking for the cost of petrol back to the airport as that is a cost he would have incurred anyway. And I think the same principle applies here. Mr M has ended up in the same position he would have been in if he'd just been able to rearrange the

original booking at no cost. Also, the stay at this hotel was for convenience rather than being medically necessary.

So, I'm satisfied that Admiral has acted reasonably in not settling the claim for the hotel on 20 October 2022.

#### Additional car hire costs

As Mr M needed to recuperate before returning to the UK, they needed to extend the car hire by four days, at a cost of £98.09.

The policy doesn't mention covering car hire in this scenario.

Admiral has alternatively paid taxi and bus fares amounting to £392.49. Admiral's position is that it would either pay for the taxi and bus fares, or the car hire, but not both.

Mrs M is named on the car rental agreement. So, she had the car as a mode of transport available to her. However, Mr M has said that Mrs M would have only driven abroad if he was able to accompany her, which of course wasn't possible.

I appreciate that Mrs M wasn't confident driving abroad. However, on balance, as Admiral has paid the larger claim for taxi fares, I'm satisfied that it has acted reasonably in declining to pay for the car hire.

#### Emergency doctor fee

A doctor was called to the house on the morning of 9 October 2022 after Mr M had become unwell overnight. The doctor's fee was 40 euros, which they paid in cash. Admiral has declined this part of the claim due to there being no documentation of the cost. Mr M says that, as they paid in cash, they didn't think to get a receipt.

Admiral is entitled to ask for evidence to substantiate a claim. However, I don't think it follows that a claim should always fail because someone doesn't have the correct documentation. I'd expect an insurer to take the wider circumstances into account. Looking at what happened, I don't doubt that they called an emergence doctor. And the amount being claimed for is commensurate with what you might expect a doctor to charge. Therefore, normally, I would probably expect an insurer to pay this cost.

However, in this case, whilst Admiral may have underpaid the claim in some areas, it has overpaid in others. So, whilst it hasn't paid the doctor's call out fee of £35.08, it has overpaid £87.85 for the hotel near the hospital.

I am sympathetic to Mr and Mrs M's situation. Obviously, becoming ill was outside of Mr M's control, and they have ended up out of pocket as a result. Nevertheless, overall, I'm satisfied that the settlement amount made by Admiral is fair and reasonable. So I won't be asking it to do anything more.

#### **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 Mrs M and Mr M to accept or reject my decision before 2 January 2025.

Carole Clark  
**Ombudsman**