

## **The complaint**

Mr K complains that AXA XL Insurance Company UK Limited hasn't paid a medical expenses claim he made on a sports travel insurance policy.

## **What happened**

On 5 July 2024, Mr K took out a single trip sports travel insurance policy through a broker. At the time of buying the insurance, Mr K was abroad in a country I'll call F. He was planning to travel on to another country to take part in a sporting activity. During the sales process, Mr K stated that his trip would start and end in the UK. Mr K took out the policy which was underwritten by AXA.

Unfortunately, later that day, Mr K was injured while taking part in the sports activity. So he made a claim for his emergency medical expenses.

But AXA turned down Mr K's claim. That's because the policy provided cover for trips which began and ended in the UK. As it considered that Mr K's trip had already begun at the time he took out the contract and as he hadn't taken out cover for his specific situation, AXA said the claim wasn't covered.

Mr K was unhappy with AXA's decision and he asked us to look into his complaint.

Our investigator didn't think it had been unfair for AXA to rely on its policy terms to turn down Mr K's claim. But he also considered that Mr K would never have been able to benefit from the policy. So he recommended that AXA should refund Mr K's premiums, together with interest.

AXA accepted the investigator's view but Mr K didn't. In summary, he stated that the policy documentation he was issued after he bought the policy totalled 60 pages. And he said the policy definition of a 'trip' was on page 12 of a 36-page policy document. He also felt that the online sales journey was misleading and that he'd never had an option to buy 'already departed cover'. He said he'd wanted cover for the entirety of his sports trip and so he'd selected insured dates for that trip period. He felt the questions he was asked conflated a policyholder's country of residence and where a trip would start and finish.

The complaint's been passed to me to decide.

## **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.

Having done so, whilst I'm sorry to disappoint Mr K, I think AXA has now made a fair offer to settle his complaint and I'll explain why.

First, I must make it clear that my decision will only consider whether I think AXA acted fairly when it turned down this claim and whether its offer to refund Mr K's premiums plus interest is reasonable. AXA wasn't responsible for selling Mr K's policy or for the application process

he followed during the online sale. The policy was sold separately by a broker. I appreciate Mr K has already complained to the broker about the sale of the policy and has received a final response letter dated 17 July 2024. And I understand Mr K has now asked us to look into a separate complaint about the sale of the policy by the broker.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. I've taken those rules into account, amongst other relevant considerations, such as regulatory principles and the policy terms, to decide whether I think AXA handled this claim fairly.

I've first considered the policy terms and conditions, as these form the basis of the contract between Mr K and AXA. First, I've looked at the policy 'General Conditions'. These include the following:

***'Travel Period***

*The Travel Period in respect of each **Trip** shall commence when You leave Your home or place of work whichever occurs last and terminates at the time You return to Your home or place of work whichever occurs first.'*

AXA has defined what it means by a 'trip' on page 18 of the policy document. This says that AXA considers a trip to be:

*'an international journey which commences and ends in Your Country of Residence within the geographical zone(s) stated in the Schedule.'*

While the policy doesn't define 'home', I think a reasonable consumer would consider a policyholder's home to be the place where a person permanently lives.

I think the policy wording makes it sufficiently clear that the policy provides cover for the expenses incurred if a policyholder is on a trip as defined by the contract terms. In this case, in order for Mr K's claim to be covered, his trip would have needed to start and end in the UK.

And I note that Mr K was sent an Insurance Product Information Document (IPID) after he took out the policy. The IPID sets out a summary of the main benefits and exclusions applying to the policy. Page one of the IPID includes a section called '*Are there any restrictions on cover?*' Immediately underneath, the IPID states: '*There are general conditions that you have to meet for cover to apply.* One of those conditions says: '*Cover taken out after a trip has started or for dates that do not cover the full trip period, unless agreed by us in writing.*' In my view then, the IPID also makes it clear enough that there are restrictions on cover if a policy's taken out after a trip has started.

In this case, Mr K accepts that at the time he took out the policy, he was already abroad and planning to travel to another country to take part in a sporting activity. I understand he considers the travel to the sporting activity to be a separate 'trip'. But Mr K wasn't in the UK when he took out the policy and he hadn't travelled directly from his home to take part in the sporting activity. So I don't think it was unreasonable for AXA to conclude that Mr K's policy didn't cover the full duration of his planned trip nor that his plans didn't meet the policy definition of a trip. I'd add that I think the policy makes it clear that medical emergency costs and curtailment costs are only covered if they're incurred during a trip as defined by the contract. In my experience, many - if not most - travel insurance policies only provide cover if the contract's purchased before a consumer travels.

As such then, whilst I sympathise with Mr K's position because I understand that he's

concerned about the medical expenses he's incurred, I don't find that AXA acted unfairly when it concluded that his claim wasn't covered by the policy terms. So it follows that I'm not directing AXA to pay this claim.

With that said, I agree with our investigator that given Mr K was abroad when he took out the policy, he couldn't have benefitted from any cover. So I also think it would be fair and reasonable for AXA to refund the premiums he paid for the contract, together with interest on the settlement from the date the policy was purchased until the date of settlement.

### **Putting things right**

I direct AXA XL Insurance Company Limited to:

- Refund the premiums Mr K paid for the policy; and
- Add interest to the settlement from the date the policy was purchased until the date of settlement.

If AXA considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr K how much it's taken off. It should also give Mr K a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

For the reasons I've given above, my final decision is that AXA XL Insurance Company Limited has now made a fair offer to resolve this complaint and I direct it to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 February 2025.

Lisa Barham  
**Ombudsman**