

The complaint

Mr and Mrs G complain that U K Insurance Limited (UKI) declined a claim they made on their travel insurance policy.

What happened

Mr and Mrs G have worldwide travel insurance as a benefit with their bank account.

Mr and Mrs G booked a world cruise which started in January 2024 and ended in April 2024. They did this by booking one leg after the other under separate bookings.

Mr and Mrs G took out a travel insurance extension for cruise cover for any potential missed ports on their trip.

While on the cruise Mr and Mrs G were informed of a change to the itinerary of the last stages of the trip. Those passengers only on the trip for the last part of the cruise had their cruises cancelled and received full refunds. Mr and Mrs G were already on the voyage, and so the cancellation didn't apply to them.

In February, while still on the trip Mr and Mrs G submitted a claim to their insurer for the seven missed ports in the last stage of the trip. They received a payment for one port rather than the seven they'd claimed for.

Mr and Mrs G say they contacted UKI on their return home. UKI said it wouldn't pay the remainder of the claim since Mr and Mrs G were aware of the change of itinerary before the ship sailed from the first port.

Mr and Mrs G don't agree and say their first port was Southampton and they were told of the changes to the itinerary while on the cruise. Mr and Mrs G paid for cruise cover extension to cover their trip, so finding out the remainder of the claim was declined was disappointing. So, they complained.

UKI said each of the seven ports have seven different booking references, individual voyage numbers, and schedules. So, although Mr and Mrs G were on one trip it was separated into seven different cruises. And since they were told about the change in itinerary for the later cruise before they departed from the first port on that leg, the policy doesn't cover them for those missed stops. UKI accept the service Mr and Mrs G were provided with was poor – and caused delays, frustration, and inconvenience. For that, UKI compensated Mr and Mrs G £150.

Mr and Mrs G weren't satisfied with the response from UKI so complained to the Financial Ombudsman Service. Our investigator upheld the complaint. She concluded UKI were aware the holiday was one trip booked in different segments, and that Mr and Mrs G had been transparent when arranging the policy. Our investigator recommended UKI reassess the claim in line with the remaining policy terms and conditions.

UKI disagreed with our investigator's view. It stated that the customer made a series of distinct bookings that were paid for and invoiced separately, even though they were consecutive. This allowed the customer to stay on the boat without having to disembark and reembark. UKI argued that these back-to-back cruises together formed a world cruise but were still separate bookings. Consequently, any port stops cancelled before the departure date of the first port stop on each booking would not be eligible for consideration, as the changes to the itinerary were communicated before each specific cruise left the first port on those specific legs. Because UKI didn't agree the complaint has come to me to consider afresh and 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 I've reached broadly the same conclusion as our investigator. I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably. So, I've considered, amongst other things, the terms of Mr and Mrs G's policy and the available evidence to decide whether UKI treated them fairly.

It is worth noting that each case turns on its own facts and neither this nor past cases set a precedent.

My starting point is the terms of the policy as these form the basis of the insurance contract. No travel policy covers every eventuality and the contract terms set out the insured events UKI has chosen to cover and those it has chosen to exclude.

Trip is defined as, *"a journey that begins and ends at your home during the period of insurance that is:*

- *Outside the UK.*
- *Within the UK, where you are staying in pre-booked commercially operated accommodation for two or more consecutive nights."*

The extension Mr and Mrs G purchased provides cover if, *"A scheduled port stop is cancelled by the cruise operator."* It goes on to say, *"We will pay you £150 for each port stop shown on your schedule that is cancelled by the cruise operator after your vessel has left the first port."* This section of their cover pays each insured person a fixed monetary benefit if port stops are cancelled. It doesn't stipulate that the trip needs to be booked a certain way in order for the term to apply.

The policy doesn't set out a definition for first port. Our service will usually think any undefined words should take the ordinary, everyday meaning. And so, in this case I think the words mean when Mr and Mrs G left the first port at the beginning of their trip, i.e. when they left the UK.

Mr and Mrs G have correctly pointed out that had they booked the trip as one booking then their cancelled port stops would have been payable under their policy. There is nothing in the policy that says payment under that section of the policy is only payable when the trip is made as one booking. And it seems Mr and Mrs G are being unfairly treated because they booked their world cruise in different legs.

I've listened to the calls where Mrs G takes out the cruise cover extension. Mrs G tells UKI she is going on a cruise for around 109 days in total. The operator didn't ask any questions about the cruise including how it was booked. And I think if Mrs G had been told the £90 she paid for 110 days would only cover them for the first leg of the trip, I think it's likely she wouldn't have taken out the policy. Mrs G has been clear that the extension to the policy was purchased to cover them in the event of port stops.

I believe the intention of this cover is to compensate travellers on board the ship for missing out on the enjoyment of parts of their trip due to changes that are made by the cruise operator. And this is what happened to Mr and Mrs G.

This means I think Mr and Mrs G's claim is covered under the terms and conditions of their policy with UKI, and I think UKI have acted unfairly and unreasonably by refusing to pay their claim.

Mr and Mrs G paid £90.65 for a trip extension for 110 days.

I don't think the fact Mr and Mrs G booked back-to-back cruises is relevant. Their "trip" began when they left home so this does fall within the policy terms – but even if they could be interpreted another way I think this outcome is fair and reasonable in the circumstances of this case.

UKI accept the failure in service Mr and Mrs G experienced and awarded £150 for the distress and inconvenience. Having considered everything I think this is fair and in line with what I would have awarded if UKI hadn't already. So, if the amount remains outstanding UKI should pay it now.

Putting things right

UKI should;

- Reassess Mr and Mrs G's claim, in line with the terms and conditions of the policy; namely the cancellation of port stops for the duration of the cruise.
- Pay £150 for distress and inconvenience if not already done so

My final decision

For the reasons explained I uphold this complaint and direct U K Insurance Limited to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 21 March 2025.

Kiran Clair
Ombudsman