

## **The complaint**

Mr W1 and Mr W2 complain that Admiral Insurance (Gibraltar) Limited declined their travel insurance claim.

As Mr W2 has led this complaint for simplicity I've just referred to Mr W2 unless the facts require otherwise.

## **What happened**

Mr W2 has an annual travel insurance policy insured by Admiral. His son, Mr W1, is also insured by the policy.

Mr W1 was due to travel abroad with some friends. After he'd checked in at the airport the scheduled flight departure time was put back several times and then cancelled due to air traffic control (ATC) issues. The airline's next available flight to the same destination was several days later so he returned home.

Mr W2 tried to cancel Mr W1's hotel accommodation abroad but he was unable to. A few days later Mr W1 and his friends flew to the destination. But as they hadn't checked in as planned the hotel had re-sold the rooms to other guests so Mr W1 and his friends had to pay for new accommodation.

Mr W1 and Mr W2 made a claim on the policy for the cost of the cancelled flight, which was later refunded by the airline, and the lost accommodation costs.

Admiral declined the claim for the lost accommodation costs. It said the reason for Mr W1's flight delay/his abandonment of the trip wasn't covered by the policy terms. Mr W1 and Mr W2 complained to us. In summary Mr W2 said:

- Admiral hadn't acted fairly in all the circumstances of the claim, which he detailed.
- He'd read the 92 page policy document before he'd bought the policy and it didn't say ATC issues weren't covered. If that had been clear he wouldn't have bought the policy.
- The ATC issues could have been industrial action on the ground or severe weather conditions which would be covered by the policy.
- He's shocked and upset Admiral declined the claim. He'd bought Admiral's top level 'Platinum' policy and understood his family would be covered in the event of anything that was unexpected and beyond his control happening.
- He knew someone in the same situation whose claim was paid by another insurer even though that policy didn't mention ATC issues.

Mr W1 and Mr W2 want Admiral to pay the lost costs of the hotel accommodation and some recognition of the stress, anxiety and amount of time Admiral had caused them.

Our Investigator said Admiral had fairly declined the claim.

Mr W1 and Mr W2 disagree and want an Ombudsman's decision. Mr W2 sent an article by an airline trade publication about ATC capacity. He said the 'key facts' of the policy aren't clear that ATC issues aren't covered. If we still considered Admiral had fairly declined the claim he wants me to tell Admiral to write to all its customers telling them they aren't covered for abandonment or travel delay if a flight is cancelled for ATC issues and to offer a refund if a customer wanted to cancel the policy.

### **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 considered all the points Mr W2 has made but I won't address all his points in my findings. I'll focus on the reasons why I've made my decision and the main points I think are relevant to the outcome of this complaint.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

The policy's Insurance Product Information Document (IPID), which is the key facts document Mr W2 refers to, says:

*'This document summarises the key features of your insurance policy. It is not tailored to individual needs and so may not provide all the information relevant to your cover requirements. Complete pre-contractual and contractual information is provided in other documents....*

*What is insured?*

*...*

*Travel delay or Abandoned trip: £25 for each 12 hours you are delayed, up to £300 or up to £5,000 if you decide to abandon your trip following a delay of more than 24 hours'.*

The policy says under the 'Missed departure, travel delay or abandoned trip' section:

*'2. International travel delay (if your transport failed to leave on time)*

*We will pay you up to the policy limits shown in the policy schedule for every complete 12 hours that your pre-booked aircraft, ship or train is delayed after the departure time shown on your travel itinerary **because of strike, industrial action, severe weather conditions or a mechanical breakdown** (my emphasis).'*

And

*'3. Abandoned trip – outbound journey leaving the UK*

*This section provides cover if you decide to abandon your trip because the international departure of your pre-booked aircraft, ship or train is delayed by more than 24 hours, or is cancelled with no alternative transport available within 24 hours of the scheduled departure, **because of strike, industrial action, severe weather conditions or a mechanical breakdown** (my emphasis).'*

So to make a successful claim Mr W2 must provide evidence that the travel delay or trip abandonment was due to a strike, industrial action, severe weather conditions or a

mechanical breakdown. I think the policy document is clear that those are the only events covered.

The airline's letter to Mr W2 said the flight was cancelled due to 'ATC restrictions'. Mr W2 said the cause of the restrictions could be due to one of the insured reasons. But he's also said information from the airline's log says '*ATC slots pushing crew past max descretion (sic), no slot improvement*'. From the airline log's evidence the flight cancellation appears to be due to ATC capacity, not for one of the specified insured reasons.

On the information Mr W2 provided I'm satisfied that Admiral fairly understood the reason for Mr W1's flight cancellation wasn't due to one of the insured reasons of strike, industrial action, severe weather conditions or a mechanical breakdown. So under the policy terms Admiral correctly declined the claim.

I also have to decide what's fair and reasonable in all the circumstances of the complaint. I understand that Mr W1's trip was for a special reason, he had to abandon the trip on the relevant date due to no fault of his own and that the situation was disappointing and stressful. Mr W2 says this is the first claim he's made in many years of travelling. But those reasons don't mean Admiral acted unfairly in declining the claim.

Mr W2 says he would never have bought the policy if he'd known travel delay and abandonment due to ATC issues weren't covered. And he understood he and his family would be covered for all unexpected events outside of their control. I haven't seen any evidence which supports that Admiral's policy says it would cover all unexpected eventualities. But if Mr W2 believes the policy was mis-sold he can make a separate complaint to the seller of the policy, and if agreement couldn't be reached he could ultimately make a separate complaint to us on that matter.

I've read the airline trade article Mr W2 provided. It says there's an increase of ATC capacity shortage. He says Admiral must know ATC capacity is a problem. But an insurer can decide what risks it wants to insure although it needs to provide that information in a clear enough way to a consumer.

The IPID clearly says that it summarises the key features of the policy and the full information about cover is in the policy document. The IPID highlights key areas of policy cover and exclusions. It's not unusual in travel insurance policies for travel delay and trip abandonment to be covered only for specific insured reasons. ATC issues not being one of those insured reasons isn't an unusual or significant policy term within a travel insurance policy (which we may have said would reasonably need to be separately highlighted).

I appreciate there being no cover for travel delay and trip abandonment due to ATC issues has become significant to Mr W1 and Mr W2 as it means their claim isn't covered. But an insurer for a travel insurance policy doesn't need to list everything that's not covered by the policy. I'm satisfied that Admiral has done enough to inform them that there's only cover for travel delay/abandonment due to strike, industrial action, severe weather conditions or a mechanical breakdown by clearly setting out those insured reasons within the policy.

Mr W2 says someone in the same circumstances had their claim paid by another insurer with a policy that didn't mention ATC issues. But I can only consider what's happened in this claim and what risks Mr W1 and Mr W2's policy covers. Another insurer paying a claim in the same circumstances doesn't mean Admiral has acted unfairly by declining the claim.

Overall I'm satisfied that Admiral reasonably declined the claim. I've not asked Admiral to send a letter to its policyholders, as Mr W2 requested. Generally it's for an insurer to decide how to inform its policyholders about cover and for the reasons I've given I think Admiral has

given clear enough information about the requirements for the travel delay and trip abandonment cover.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W1 and Mr W2 to accept or reject my decision before 28 February 2025.

Nicola Sisk  
**Ombudsman**