

The complaint

Mr and Mrs M complain that U K Insurance Limited declined their claim against a travel insurance policy. Reference to UKI includes its agents.

What happened

Mr and Mrs M have travel insurance underwritten by UKI as a benefit of a current account. They paid a premium to include an optional upgrade for cruise cover.

Mr and Mrs M booked a cruise and on boarding the ship were given written information from the cruise operator which said it had changed the itinerary due to adverse weather conditions. The updated itinerary didn't stop at the first port stop on the original itinerary. Instead, it stopped at another port a day earlier than the original stop. Mr and Mrs M weren't happy about that. They say they wouldn't have booked the cruise if they'd known in advance about the cancelled port stop.

Mr and Mrs M made a claim against the policy in relation to the cancelled port stop. UKI declined the claim. It said what happened here wasn't covered by the policy. Mr and Mrs M didn't think that was fair. They say they had no opportunity to reject the change by the cruise provider. That was because they were informed about it when they were on the ship and had handed in their luggage. Mr and Mrs M say they are aware UKI paid claims for others on this trip and they want UKI to pay their claim.

One of our Investigators looked at what had happened. She said what happened here wasn't covered by the policy. The Investigator said she noted what Mr and Mrs M said about UKI settling other claims arising out of the same circumstances, but she could only consider Mr and Mrs M's individual complaint and consider what they are entitled to under the policy terms.

Mr and Mrs M didn't agree with the Investigator. Mrs M responded to say the outcome recommended by the Investigator wasn't fair or reasonable and said, in summary:

- UKI acted unreasonably in saying what happened here was a change of itinerary.
- What happened here can reasonably be considered a missed port.
- Part of the appeal of the cruise was the first port stop and they have been denied that without redress.
- UKI has treated them unfairly as it settled the claims against the same policy for other passengers on the cruise.

Mr and Mrs M asked that an Ombudsman consider the complaint, so it was 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.

I've taken into account the law, regulation and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say UKI should deal with claims promptly and fairly and must act to deliver good outcomes for retail customers.

The starting point is the terms and conditions of the policy, the relevant parts of which say as follows:

'Part 4 – Optional Upgrades

Cruise cover

[...]

This section provides cover if:

- [...]
- A scheduled port stop is cancelled by the **cruise** operator.

[...]

You are covered for

[...]

Cancelled port stop

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.'

The policy only covers cancellation of a port stop by the cruise operator after the ship has left the first port. It's common ground that's not what happened here. The cruise operator cancelled the first port stop *before* the ship left the first port. So, UKI acted in accordance with the terms and conditions of the policy in declining Mr and Mrs M's claim. However, I've gone on to consider whether that produces a fair outcome in this case. I think it does and I'll explain why.

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 onus is on the consumer to show the claim falls under one of the agreed areas of cover within the policy. UKI only agreed to cover cancelled port stops when the cruise operator cancels a port stop after the ship has left the first port. I don't think it would be fair or reasonable in this case to ask UKI to settle a claim when the cruise operator changed the itinerary before the ship left the first port, as it didn't choose to cover that risk.

I don't think UKI acted unfairly or unreasonably in referring to what happened here as a change to the itinerary, as that is how the cruise operator described it in the letter to guests informing them about the changes. But whether what happened here is referred to as a cancelled port stop or a change of itinerary isn't the determining factor, as the change was made before the ship left the first port, so it isn't covered by the policy.

Mr and Mrs M say they didn't have the opportunity to reject the changes made by the cruise operator as their luggage had been loaded and they'd boarded the ship. Mr and Mrs M say they were handed written information about the changes on boarding the ship. So they were told about them before the ship departed. On balance, I think it's likely that if Mr and Mrs M had read the written information when it was given to them, it would have been possible for them to retrieve their luggage and disembark, as the ship hadn't departed.

A change of itinerary by the cruise operator isn't something that's covered in the policy's cancellation or abandoned departure provisions. So, if Mr and Mrs M had disembarked before the ship left the first port they wouldn't have been able to make a successful claim against the policy for their cancelled or abandoned cruise. But I'm not persuaded that means UKI acted unfairly or unreasonably in relying on the terms of the policy and

declining Mr and Mrs M's claim in this case. If Mr and Mrs H had chosen to disembark because of the changes to the itinerary, they could have taken the matter up with the cruise operator. And as they continued their trip, they had the benefit of the terms of the policy.

Mr and Mrs M have provided screen shots from social media which indicate UKI paid claims made by others in the same circumstances as them. In its final response to Mrs M, UKI said if it settled any claim in these circumstances it would have done so in error. I've considered Mr and Mrs M's complaint on its own facts and merits. I don't think it would be fair or reasonable to ask UKI to settle Mr and Mrs M's claim on the basis that it had made mistakes in earlier claims by others.

I'm sorry to disappoint Mr and Mrs M but, for the reasons I've explained, I don't think UKI acted unfairly or unreasonably in relying on the policy terms and declining their claim in this case.

My final decision

My final decision is that I don't uphold this 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 4 March 2025.

Louise Povey
Ombudsman