

The complaint

Mr and Mrs S complain about their travel insurance policy underwritten by Admiral Insurance (Gibraltar). Reference to Admiral includes its agents.

Mr and Mrs S have previously made a complaint about the sale of the policy, which has been dealt with separately.

What happened

Mr and Mrs S took out an annual travel insurance policy underwritten by Admiral. The policy covers trips of no more than 31 days and says cover for longer trips may be available, subject to underwriting approval and payment of an additional premium.

Some months after they took out the policy, Mr and Mrs S asked Admiral for trip extension cover for a trip of over three months. Admiral declined the request. Mr and Mrs S say Admiral told them it didn't offer trip extension cover to policyholders over 60 or for trips over two months. Mr and Mrs S didn't think that was fair as Admiral hadn't told them about that before they took out the policy.

Mr and Mrs S complain that Admiral's decision not to offer trip extension cover to policyholders over 60 or for trips over two months invalidates a term in their policy which provides that cover for extended trips may be available on request, subject to underwriting approval and payment of an additional premium. They say Admiral didn't disclose its underwriting decisions before they took out the policy. Mr and Mrs S say the terms of the policy require Admiral to have an underwriter consider their individual request. They say if they'd known the true position, it would have influenced their choice of insurance provider.

One of our Investigators looked at what had happened. He didn't think Admiral had acted unfairly or unreasonably in not mentioning its underwriting decisions in relation to trip extensions. The Investigator said Admiral may change its commercial decision about what it covers, so it's sufficient to say in the terms that changes are subject to underwriting approval.

Mr and Mrs S didn't agree with the Investigator. They said he'd misunderstood their complaint. They reiterated their concerns and said Admiral's decision in their case was based on an underwriting policy which pre-dated their buying the policy and which wasn't disclosed to them. Mr and Mrs S set out the difference between an underwriting decision and an underwriting policy. Mr and Mrs S say this affects all policyholders over 60. They 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, in summary, that Admiral must provide Mr and Mrs S with information that's clear, fair and not misleading.

Insurance policies aren't designed to cover every eventuality or situation. In general terms, insurers are free to decide what risks they wish to accept. 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 relevant part of the policy says as follows:

'Trip length

[...]

Annual multi-trip policy – *as many trips as you wish to take within 365 days (as per the dates shown on your policy schedule), providing each trip lasts no more than 31 days. Cover for extended trips may be available on request, subject to underwriting approval and payment of an additional premium.'*

The Insurance Product Information Document also sets out the trip limit of up to 31 days per trip. A term restricting the trip length is common in policies of this type. I've considered the documentation and I'm satisfied Admiral made clear cover is for trips up to a maximum of 31 days per trip for annual, multi-trip policies.

Admiral didn't tell Mr and Mrs S about its underwriting decisions in relation to trip extension cover – that it was available for individuals 60 and under and for a maximum trip length of two months. Essentially, Mr and Mrs S say when they took out the policy, Admiral should have told them about its underwriting decisions in relation to trip extension cover. In the particular circumstances of this case, I'm afraid I don't agree. That's because Mr and Mrs S didn't ask Admiral about trip extension cover when they took out the policy or indicate to Admiral this was particularly important to them. In the absence of a particular enquiry from Mr and Mrs S about this, I don't think Admiral was obliged to provide any more information than it did.

I've considered what Mr and Mrs S have said about the differences between underwriting decisions and underwriting policy. The relevant term here refers to '*underwriting approval*' and doesn't distinguish between individual underwriting decisions and underwriting policy. There's nothing in the terms which requires Admiral to make an individual underwriting decision following Mr and Mrs S' request for trip extension cover. I think it's reasonable for Admiral to apply previous underwriting decisions to individual requests, as it did here.

Mr and Mrs S have referred to the effect this has on other policyholders. This service isn't the regulator; we can't direct Admiral generally about how it conducts its business. We can consider whether Admiral has acted fairly and reasonably in Mr and Mrs S' case. For the reasons I've set out above, I think it has. It follows that I don't uphold this complaint.

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 Mr S and Mrs S to accept or reject my decision before 27 May 2025.

Louise Povey
Ombudsman