

The complaint

Ms M complains that Astrenska Insurance Limited declined her claim against her travel insurance policy. She also complains about how it handled her claim. Reference to Astrenska includes its agents.

Mrs B is assisting Ms M in bringing her complaint. I'll refer to comments from Mrs B as coming from Ms M.

There's a separate complaint about the sale of the policy, which isn't dealt with here.

What happened

Ms M's suitcase was stolen from a train whilst she was travelling to visit a friend in the UK. She made a claim against her annual travel insurance policy underwritten by Astrenska. Astrenska declined Ms M's claim. Ms M contacted Astrenska and it told her it would be sufficient to provide a letter of confirmation from her friend about her stay. Ms M provided that letter but Astrenska declined the claim again. It said what happened here isn't covered by the policy. Ms M didn't accept that and pursued her complaint. Astrenska said it had declined Ms M's claim in accordance with the policy terms, which were clear.

One of our Investigators looked at what had happened. She said Astrenska had declined the claim in accordance with the policy wording. The Investigator said Astrenska mismanaged Ms M's expectations about the claim during the call in which she was asked to provide supporting evidence from her friend about the stay. She said Astrenska should pay Ms M compensation of £100 in relation to her distress and inconvenience in relation to that, in addition to the goodwill payment of £50 already made.

Astrenska accepted the Investigator's recommendation, but Ms M didn't. Ms M says the policy was mis sold to her. She didn't think that compensation of £100 was fair. Ms 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.

In this decision, I'm dealing with Ms M's complaint about Astrenska's handling of her claim and its decision to decline it. 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 Astrenska should deal with claims promptly and fairly and must act to deliver good outcomes for retail customers.

Astrenska's decision to decline Ms M's claim

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. If the event is covered in principle but is declined on the basis of an exclusion set out in the policy, the onus shifts to the insurer to show how that exclusion applies.

Subject to the policy terms, there's cover for stolen baggage but Astrenska relied on the following part of the policy to decline the claim:

'IMPORTANT INFORMATION ABOUT YOUR POLICY

[...]

We will only cover persons named on **your** policy Schedule if:

[...]

2. The journey is a round **trip**, beginning and ending in the **UK**, and is

[...]

e. a **trip** within the **UK** which includes at least two nights in **pre-booked holiday accommodation** or a two-night stay at the accommodation of a relative or friend who reside in the Channel Islands (multi-trip policies only)

'Pre-booked holiday accommodation' is defined as:

*'A commercially run premises where a fee is charged which has been booked prior to the departure of **your trip** (not including residential homes belonging to a family or friends).'*

Ms M's trip wasn't to the Channel Islands and didn't involve two nights in pre-booked holiday accommodation. I think the policy terms are clear and that Astrenska was entitled to rely on them. I don't think Astrenska acted unfairly or unreasonably in declining Ms M's claim in accordance with the policy terms.

Astrenska's handling of Ms M's claim

I've listened to the phone call between Astrenska and Ms M and Mrs B. When Ms M queried Astrenska's response to her claim, it asked her to send in a letter from the friend she stayed with and said that should be sufficient for her claim. That wasn't in fact correct.

When mistakes like this happen, we don't proceed on the basis that the incorrect information is true, we look at the effect of the error on the individual. Here, Ms M was put to the trouble of asking her friend to provide a letter to support her claim. In addition, she was led to believe Astrenska would settle her claim, so her expectations were raised.

I think the Investigator's recommendation that Astrenska pay additional compensation of £100 is fair and reasonable in this case. In reaching that view, I've taken into account the nature, extent and duration of the distress and inconvenience caused by Astrenska's error in this case.

Putting things right

In order to put things right, Astrenska should pay Ms M additional compensation of £100 in relation to her distress and inconvenience.

My final decision

My final decision is that I uphold this complaint. Astrenska Insurance Limited should take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 5 June 2025.

Louise Povey
Ombudsman