

The complaint

Mr K complains that Chubb European Group SE hasn't paid all the costs he claimed under his travel insurance policy.

What happened

Mr K held a travel insurance policy through a bank account, provided by Chubb. He had a trip booked to countries I'll call "N" and "S" between 2 and 10 April 2024. Mr K travelled to N as planned, but he wasn't able to continue to S on 5 April 2024 as he unfortunately fell ill.

Mr K made a claim to Chubb for the unused costs of his trip, as well as the additional costs, including medical costs. Mr K returned home on 10 April 2024 as planned, but he had to buy a new return ticket from N, as the original return ticket was from S.

Chubb paid Mr K's additional travel and accommodation costs, but it declined to pay for the unused travel and accommodation costs. It said these were not covered by the policy terms. Overall, Chubb said it had paid Mr K's claim under the relevant section of the policy, and there was no further cover for the other costs he was claiming for.

Unhappy with Chubb's response, Mr K brought a complaint to this Service. In short, he said the policy terms were ambiguous, and he provided a medical certificate from a doctor who confirmed he wasn't fit to travel. Mr K said his trip was both interrupted and cancelled midway, which the policy provided cover for.

One of our investigators looked into what had happened. And having done so, she thought Chubb had considered the claim under the correct section of the policy, and there was no cover for the unused travel and accommodation costs that Mr K was claiming for. So, she didn't think there was anything else Chubb needed to do, to put things right.

Mr K didn't agree with our investigator's findings. In short, he said Chubb had breached the regulatory requirements, and the Insurance Product Information Document ("IPID") wasn't clear or in line with the policy terms.

As no agreement was reached, the complaint has been 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.

Firstly, it's not within my remit or power to punish a business, or act as a regulator. My role is to consider what's the fair and reasonable outcome in all the circumstances of an individual complaint.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mr K's complaint.

Mr K has provided a medical certificate from a doctor who confirmed he was unwell and advised against travel between 5 and 9 April 2024.

Chubb paid Mr K's claim for additional travel and accommodation costs under section B of the policy, which provides cover *"if you get sick or injured"* whilst abroad. The policy terms that Chubb has paid the claim under provide cover for additional costs, but not unused costs. Having read the terms, I'm satisfied there's no cover for unused costs due to medical reasons under this section of the policy.

Mr K says Chubb should also pay for his unused travel and accommodation costs under section A of the policy. This provides cover for unused costs if *"you have to cancel your trip or cut it short for a reason listed below"*. Firstly, the policy terms say under *"how this policy works"* the following:

"Your journey must commence and terminate at your primary residence, which is your regular place of residence. The trip commences on the day you leave your home to go to a destination that is either outside your city or country, or at least 100 kilometres away from your home, and includes an overnight stay. The journey ends when you return to your primary residence."

So, a trip starts and ends at the policyholder's home. Mr K didn't cancel his trip, as he had already left home and travelled abroad. He also didn't cut short his trip, as he didn't return home early. He returned on the same day that he had originally planned to.

Having read through all the cover in section A, Mr K's circumstances aren't listed as an insured event. There's only cover for unused travel and accommodation when cancelling due to medical reasons. But as I set out above, Mr K didn't cancel his trip.

The other medical cover under this section only applies when the policyholder's close family member, service animal or traveling companion dies or gets seriously ill, injured or due to complications in pregnancy. So, this isn't relevant to Mr K's claim.

I appreciate Mr K considers his trip was interrupted, and the IPID says there's cover for trip interruption. I agree that where the policy terms aren't clear, any ambiguity should be interpreted in favour of the consumer. But the IPID is also just a summary of cover, so I need to consider the full policy terms to see if Mr K's circumstances are covered.

Whilst the IPID refers to trip interruption, these words aren't specifically mentioned in the policy terms. I don't think this alone means it would be fair for me say Chubb should pay Mr K's claim. I say this because the reason for the claim was Mr K falling ill. And section B of the policy provides cover *"if you get sick or injured"* whilst abroad. So, I think Chubb acted fairly and reasonably when it considered the claim under this section of the policy. It was the relevant section for the circumstances which led to Mr K's claim.

Mr K says that because the terms aren't clear, Chubb should consider his claim under section B which provides cover *"if you have to cancel your trip or cut it short"*. But for the reasons I explained in this decision, Mr K didn't cancel or cut short his trip, which means this section doesn't apply to his claim. So, I don't think it would be fair for me to direct Chubb to pay his claim under this section simply due to there being cover for trip interruption in the IPID, but no mention of it those words in the policy terms.

Ultimately, for Mr K's claim to be covered, the policy terms need to set out his circumstances as an insured event. For the reasons I've explained, unfortunately the policy terms don't cover unused accommodation and travel costs when a policyholder falls ill during the trip.

I'm sorry to disappoint Mr K, but I don't think there are any fair and reasonable grounds for me to direct Chubb to pay his claim outside the strict interpretation of the policy terms and conditions. So, I don't think Chubb did anything wrong in the way that it considered Mr K's claim.

My final decision

My final decision is that I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 4 June 2025.

Renja Anderson
Ombudsman