

The complaint

Mr and Mrs S have complained that AXIS Speciality Europe SE declined a claim they made on a travel insurance policy for cancellation.

What happened

In January 2024 Mr and Mrs S booked a trip abroad for August 2024. In July 2024 they discovered that Mrs S was pregnant. Upon attending a travel consultation at the GP surgery, the nurse advised against travel to their intended destination due to the risk of contracting Zika virus. They therefore cancelled the trip and made a claim on the insurance.

AXIS declined the claim on the basis that the circumstances are not covered under the policy terms.

Our investigator accepted that the reasons for cancellation didn't fall within those listed in the policy. But the policy also excluded cover where a policyholder didn't follow Foreign, Commonwealth and Development Office (FCDO) advice. So, he didn't think it was fair that Mr and Mrs S were in a position where they wouldn't be covered if they did travel but weren't covered for cancellation either. As he didn't think AXIS had acted fairly, he recommended that it should pay the claim and add 8% simple interest from the date the claim was declined until the date of settlement.

AXIS disagrees with the investigator's opinion and so the complaint has been passed to me for a decision.

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 carefully considered the obligations placed on AXIS by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for AXIS to handle claims promptly and fairly, and to not unreasonably decline a claim.

The complaint involves the actions of the claim administrators, acting on behalf of AXIS. To be clear, when referring to AXIS in this decision I am also referring to any other entities acting on its behalf.

Looking at the policy terms, they state:

SECTION 8 – Cancellation or Curtailment

'The Insurer will pay up to the amount shown under Section 8 in the Schedule of Benefits for an Insured Person's loss of irrecoverable deposits or payments for unused travel and accommodation paid in advance or contracted to be paid that cannot be recovered from any other source, as a result of the necessary and unavoidable cancellation of that Insured Person's Trip due to:'

There then follows a list of insured perils. Concern about contracting Zika virus is not specifically listed. Thereby, on a strict interpretation of the policy terms, that circumstance is not covered. However, I can depart from a strict application of the contract terms if I conclude they produce an unfair outcome.

As well as the above terms, the policy also contains some additional general exclusions which are a relevant consideration in determining this complaint.

Looking at those terms, they state:

'General Exclusions

The insurer will not pay for any claim arising directly or indirectly from:

(....)

3. an Insured Person, Close Relative, Close Business Colleague, travelling companion or person with whom the Insured Person intends to stay:

iii) travelling against the advice of a registered medical practitioner.

(....)

17. Insured Persons are not covered if they travelled contrary to the United Kingdom Foreign, Commonwealth & Development Office (FCDO) advice.'

As our investigator has explained, at the time of the cancellation, the FCDO advice was for people to check the latest advice on another health website. The advice there was that pregnant women should discuss the suitability of travel and the potential risk that Zika virus may present with their health care provider. Mrs S did check with her health provider and received a letter from the practice nurse confirming the advice she was given.

AXIS has argued that the nurse is not a registered practitioner, which is correct. Therefore, the claim would likely not succeed solely on the basis of the first general exclusion listed above.

The matter at hand is the relevance of the general exclusion about travelling against FCDO advice.

In terms of the nurse's professional status, the FCDO advice states that someone should discuss their travel arrangements with their 'health care provider'. I'm satisfied that the role of nurse within a GP practice meets that requirement.

AXIS accepts that Mr and Mrs S followed the FCDO advice but says that what they decided to do with the subsequent medical advice was a matter of personal choice. It has also said that the nurse's letter doesn't constitute advice not to travel. It categorises the reason for Mr and Mrs S cancelling the trip as a disinclination to travel, which is not covered under the policy terms.

The nurse's letter states: *'The above-named patient attended the surgery today for a travel consultation where I advised that travel to (destination) is not advised when pregnant, due to the risk of Zika virus, which presents a significant risk to the developing fetus as it can cause serious birth defects.'*

I accept the wording isn't as clear cut as saying: 'I've told Mrs S she shouldn't travel', and so I've thought very carefully about this point. Mr and Mrs S's testimony is that the nurse told them they shouldn't go and explained the potential serious risks to their unborn baby. The letter doesn't say that Mr and Mrs S don't want to travel due to the information they've received, rather it is the nurse saying she advises against travel to that country. In the context of that meeting and discussion, on balance, I'm satisfied that it was specific advice to Mr and Mrs S from a health care provider not to travel.

Having heeded the FCDO advice to discuss matters with their health care provider, it wouldn't be reasonable to expect them to then disregard the advice they were given about the suitability of travelling. I do not see the situation as a disinclination to travel; their decision to cancel the trip was based on medical advice. I'm satisfied then, that had they travelled, they would have been doing so against FCDO advice.

As our investigator has said, that then put them in the position of not being covered for cancellation – because the reason for not going is not one of the listed perils – but also not being covered had they gone on the trip. Overall, in the particular circumstances of this case, I consider that to be unfair. It follows that I uphold the complaint.

Putting things right

To put things right, AXIS should:

- Pay the claim subject to any excess and policy limits.
- Add 8% simple interest from the date the claim was declined until the date it is paid.

If AXIS considers that it's required by HMRC to deduct income tax from that interest, it should tell Mr and Mrs S how much it's taken off. It should also give them a tax deduction certificate if they ask for one, so they can reclaim the tax from HMRC if appropriate.

My final decision

For the reasons I've explained, I uphold the complaint and require AXIS Speciality Europe SE to put things right as set out above.

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 11 August 2025.

Carole Clark
Ombudsman