

The complaint

Ms H has complained that Zurich Insurance Company Ltd partly declined a claim she made on a single trip travel insurance policy.

Ms H has been represented by a family member in making this complaint. However, for ease, I will just be referring to Ms H in this decision.

What happened

Ms H took out the policy to cover her for a three-month trip starting on 2 April 2024. Unfortunately, she became unwell on 26 April 2024 and, after undergoing some hospital treatment, decided to fly back to the UK early on 8 May 2024.

Zurich covered some of the claim in relation to her medical expenses. However, it declined the claim for one-night's hotel accommodation and the return flight.

In response to the complaint, Zurich maintained its stance in relation to the claim. However, it accepted that Ms H had received some poor service and so offered her compensation for any distress and inconvenience caused. As I understand it, this payment has already been made.

Our investigator thought that Zurich had acted fairly and reasonably, in line with the policy terms and conditions. Ms H disagrees 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 Zurich by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Zurich to handle claims promptly and fairly, and to not unreasonably decline a 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 test then is whether the claim falls under one of the agreed areas of cover within the policy.

So, I've considered the terms of the policy Ms H held, as this forms the basis of contract between the parties.

The policy terms, under section 2 for curtailment, state:

'You are covered

Up to the amount shown in the summary of cover on pages 11-12 for:

- 1) *The value of the portion of your travel and/ or accommodation arrangements which have not been used and which were paid for before your departure from your home country (including ski hire, ski school and lift passes, which do not have to be paid for before your departure from your home country, in respect of winter sports trips where the appropriate premium has been paid), if you, and where appropriate a person you are travelling with covered by this policy, have to curtail your trip and return to your home earlier than planned due to:*

a) *The death, severe injury or serious illness of:*

i) *You or any person you are travelling with;*

(....)

These proportionate value of costs will be calculated from the date of return to your home country.

- 2) *Reasonable additional travelling expenses incurred by you for returning to your home country (economy class) earlier than planned for a reason stated in benefit 1 of this section;*

You are not covered for

For any claim resulting from or relating to:

- 1) *Anything mentioned in the General exclusions on pages 24-26. General conditions on page 18 will also apply;*

(.....)

- 5) *Additional travelling expenses incurred which are not authorised either by us or Zurich Assist, as detailed on page 8;'*

Under the 'General Exclusions from your Policy' section, it states:

'You are not covered

For any claim resulting or relating to:

37) Costs of phone calls or faxes, meals, taxi fares (except for taxi costs paid for the initial journey to and from a hospital abroad due to an insured persons illness or injury. Interpreters fees. inconvenience. distress. loss of earnings. loss of enjoyment of the holiday. time share maintenance fees holiday property bonds or points and any extra travel or accommodation costs (unless we authorised these or they are part of valid claim under section 1. section 2 or section 5).'

Under the 'General policy information' section, it states:

'The cover under remaining sections

Cover under all other sections apply for the duration of the booked trip including the period of travel from home direct to the departure point and back home directly afterwards not exceeding 36 hours in each case. If you come home earlier than planned then cover ends on return to your home country.'

The intention of the policy, which is common to most travel insurance, is to provide cover for unused and unrecoverable expenses.

Looking at the above wording, I disagree with Ms H that the terms around additional costs are unclear. I'm satisfied it is clear that only travel and accommodation booked and paid for in advance of a trip is covered. So additional costs are those that are extra to, or on top of, purchases already made.

Miss H had not booked a return flight to the UK prior to leaving on the trip. She also didn't have pre-booked accommodation for the night she is claiming the hotel costs for. Therefore, under a strict interpretation of the policy wording, her claims for those expenses are not covered.

Miss H has cited paragraph 2 of the curtailment section as being relevant to her situation. However, as she would always have had to pay for a ticket home at the end of her trip, the ticket she purchased to return on 8 May 2024 was not an additional expense. Similarly, she would always have needed somewhere to stay on the night she is claiming the hotel accommodation for. So, she didn't incur any extra, or additional, expenses further to money she had already paid out for her original itinerary.

Miss H has also said that section 5 of the policy, pertaining to medical emergency, is also applicable. However, this section has the same requirement for the incurred costs to have been in addition to any pre-booked accommodation or travel.

I have looked at the remainder of the policy wording to see if there are any other sections under which the claim could be considered. However, the circumstances she found herself in do not fall within the scope of the wider policy terms. Overall, I'm satisfied that Zurich has correctly assessed the claim under the curtailment part of the policy.

Miss H later left the UK again to resume her trip. She says that she would therefore not be gaining money-wise if Zurich paid for her emergency flight home and the hotel bill.

I've thought very carefully about what Miss H has said and have sympathy for her situation. She became unwell abroad, which was obviously outside of her control, and it must have been a very stressful time. However, the matter at hand is whether the circumstances being claimed for are covered under the policy terms – and unfortunately they are not.

Based on the available evidence, I'm satisfied that Zurich acted fairly and reasonably in declining the claim for the hotel and flight to the UK. It follows that I do not uphold the complaint.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 16 July 2025.

Carole Clark
Ombudsman