

The complaint

Miss F and Mr S have complained that Red Sands Insurance Company (Europe) Limited declined a claim they made on a travel insurance policy.

They have been represented in making this complaint by a family member of Mr S. However, for ease, I will just be referring to Miss F and Mr S.

What happened

Miss F and Mr S were denied boarding for their UK return flight by immigration officials due to over-staying their visas. They had to pay a fine and book new return flights. They therefore make a claim on the policy for the additional costs incurred.

Red Sands declined the claim on the basis that the circumstances are not covered by the policy terms.

Our investigator thought that Red Sands had acted fairly in declining the claim, in line with the policy terms and conditions. Miss F and Mr S disagree 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 Red Sands by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Red Sands to handle claims promptly and fairly, and to not unreasonably decline a claim.

Miss F and Mr S had planned a trip to a particular country from 17 July 2024 to 30 August 2024 and applied for 60-day visas on 11 July 2024. However, they had not received these at the time of their arrival on 17 July 2024. They knew that entry into the country could be obtained by purchasing a 30 day 'visa on arrival' (VOA), which is what they did.

Upon buying the VOAs at the arrival airport, they say the immigration officer told them that, once they had received their 60-day visas, those would automatically supersede the VOAs. Miss F and Mr S felt able to rely on that advice, which is understandable, so they didn't carry out any checks themselves.

As it turned out, the information they had been given was incorrect, as you cannot exit a country on a different visa than you entered on. The correct advice would have been to tell them that they would need to apply to extend the VOAs, which you are able to do once, up to a maximum of 60 days in total.

Upon trying to depart, they were detained by immigration officials who insisted that a fine be paid in cash. As they didn't have that much cash and were unable to take out such large

amounts from ATMs in one go due to daily limit restrictions, they were made to leave the departures area. They were able to withdraw sufficient cash by the following day and to then also book new flights back to the UK.

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 they held, as this forms the basis of contract between the parties. The policy contains several sections which set out the different heads of claim, such as cancellation, curtailment, personal accident etc.

Although they say that the immigration officials 'cancelled' their flight, the cancellation part of the policy only applies to events prior to the start of a trip.

The part of the policy that comes closest to meeting their circumstances is the 'Missed departure and travel delay' section. That states:

'Missed Departure

We will pay up to the amount shown in the schedule of cover:

for necessary travel and accommodation expenses required to reach your booked destination, if the vehicle in which you are travelling to your international departure point becomes undrivable due to mechanical failure or being involved in an accident or your public transport is delayed, preventing you from being able to check-in on time for your outward departure from the United Kingdom, Channel Islands, Isle of Man or BFPO.

Provided:

- 1. you have allowed sufficient time to check-in as shown on your itinerary.*
- 2. you have paid your excess or accepted it will be deducted from any settlement.*

Or Travel Delay

We will pay up to the amount shown in the schedule of cover for each full 12 hours delay if: the departure of your international flight, international train or sailing is delayed for more than twelve (12) hours from its scheduled departure time from your international departure point.'

Looking at the above wording, it's clear that cover for missed departure is only applicable where a policyholder has encountered difficulties when travelling to the airport. They missed their flight because the immigration officials were insisting that the fine be paid in cash, which they didn't have. So, their circumstance is not a listed reason under the 'missed departures' part of the policy.

Then, looking at the list of '*General conditions and exclusions applying to all sections of cover*', which begins on page 9 of the policy, number 7 explains that a loss will not be covered unless it is specified in the policy.

Therefore, I've 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 situation they found themselves in does not fall within the scope of the wider policy terms.

Returning to the general exclusions list, number 29 excludes claims arising from:

‘Your failure to obtain the required passport, visa or ESTA’

They hadn’t obtained the required visa – because they didn’t apply for an extension to the VOAs. I do of course appreciate that was because of the misinformation they were given.

I have a great deal of sympathy for Miss F and Mr S’s position. They believed what they were told on arrival and so did not foresee the problems that would arise, which has resulted in a significant financial burden. However, the matter at hand is whether those circumstances are covered under the policy terms – and unfortunately, they are not.

They believe they were set up as part of a deliberate scam to extort money from them. On that basis, I’ve considered whether it would therefore be fair and reasonable to ask Red Sands to act outside of the policy terms to pay the claim. However, on balance, I don’t think that would be appropriate in this case. Overall, I’m satisfied that Red Sands has acted fairly and reasonably in declining the claim.

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 Miss F and Mr S to accept or reject my decision before 12 September 2025.

Carole Clark
Ombudsman