DRN-5544039

The complaint

Mrs and Mr B complain about U K Insurance Limited's (UKI) settlement of their travel insurance claim.

What happened

Mrs and Mr B have travel insurance though a building society account, the insurer is UKI. They purchased the 'cruise cover' option. Mrs and Mr B were on a cruise and due to adverse weather their ship couldn't stop at all the planned ports. They claimed on the policy for four cancelled port stops, at £150 per person so £1,200 in total.

UKI settled the claim by paying £600, £150 per person for two missed port stops. The evidence from the cruise operator was that the ship cancelled stops at one port where it had been due to stay for two consecutive dates and at another port where it had been due to stay for another two consecutive dates. UKI said the policy cover was tied to port stops rather than the number of days stopped at the same port.

Mrs and Mr B complained to us that UKI's decision was unfair. In summary they said:

- The policy wording said UKI would pay for each port stop shown on the schedule that's cancelled. Their cruise operator's schedule showed four port stops on four different dates were cancelled.
- The policy didn't have an exclusion saying a port stop at the same place on different days would only be treated as one port stop. UKI drafted the policy wording and if duplicate ports aren't covered that should be clear in the policy. The onus is on UKI to ensure the policy wording is correct to avoid any ambiguity.
- They want UKI to pay them £600 plus compensation for their stress and inconvenience and apologise to them.

Our Investigator said UKI's settlement of the claim was fair.

Mrs and Mr B disagree and provided a detailed response. They want an Ombudsman's decision. In brief they added:

- A cruise ship docking at a port for two or more days is very common on cruises so it's a foreseeable event. A reasonable person would expect a cruise to include port stops where the ship is docked at the same place for more than one day and UKI should know that being an insurer that provides cruise cover. So UKI should have included an exclusion or definition of 'port stop' to be clear if it's using its own interpretation of 'port stop' to decline their full claim.
- It's usual practice in the cruise industry to count all stops on a cruise as an individual port stop, even where the ship is at the same port for more than a day. So a cruise can be described as a 'cruise with five port stops' even if the ship is at one port for two days and then at another three ports. This is evidenced in their cruise schedule which shows each port stop individually. That's the clear understanding of cruise operators and passengers so if UKI has a different approach it should have been

clear in the policy wording. Their cruise schedule clearly shows the four port stops individually so they should be paid for four missed port stops per person.

- There's no policy definition of 'shown on the schedule' so the phrase should take the ordinary everyday meaning of 'port stop shown on the schedule'. The emphasis on 'shown on the schedule' encourages the policyholder to check how many port stops are listed on the schedule, and they have four cancelled port stops.
- If UKI's policy had been clear that its cruise cover doesn't treat the ship staying in one port for more than one day as more than one port stop then they wouldn't have bought the cover. They would have found other insurance.

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 would like to reassure Mrs and Mr B that I have read and considered all their submissions, including their detailed email asking for an Ombudsman's review, which I've only summarised above. I won't address all their points in my findings. I'll focus on the reasons why I've made my decision and the key points which I think are relevant to the outcome of this complaint.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down (or settle) claims unreasonably.

The policy says:

> *'Cruise Cover …*
>
> *You are covered for…*
>
> *Cancelled port stop*
> *We will pay you £150 for each port stop shown on your schedule that is cancelled by the cruise operator after your vessel has left the first port'.*

The cruise operator's 'booking itinerary', which I understand Mrs and Mr B have referred to as the schedule includes:

> *'12 Jan 25 (a port that I'll refer to as H in named country) Arrive Morning, Overnight In Port*
> *13 Jan 25 (a port that I'll refer to as H in named country) Depart Before 0900*
> *….*
> *22 Jan 25 (a port that I'll refer to as N) Arrive Morning, Overnight In Port*
> *23 Jan 25 (a port that I'll refer to as N) Depart Afternoon'.*

Letters from the cruise operator to Mrs B and Mr B say that due to adverse weather their cruise ship had to cancel the scheduled calls at H on 12 and 13 January and at N on 22 and 23 January 2025. So port stops were cancelled by the cruise operator after their cruise left the first port. Their policy provides for a fixed monetary benefit to be paid to Mrs B and Mr B in these circumstances.

I've considered carefully Mrs and Mr B's points about why they believe UKI can't reasonably say just two port stops were cancelled, but I'm satisfied that it can. I'll explain why.

In essence UKI considered that a port stop is a destination, so the ship stopping at one port destination is one port stop irrespective of how many days the ship stays there.

The policy doesn't set out a definition for a 'port stop'. As our Investigator correctly explained, our Service usually says that any undefined words or phrases should take the ordinary, everyday meaning. From looking at dictionary definitions a port is a location where ships can dock and load and/or unload passengers and/or cargo. So I think UKI reasonably considered that the port stop relates to the location rather than the number of days the ship is at the location. Mrs and Mr B say that the phrase 'port stops' has a particular meaning in the cruise industry. But I haven't seen any evidence that it's usual within the cruise industry to describe a cruise ship staying in the same port location for two consecutive days as having two port stops. The itinerary/schedule from Mrs and Mr B's cruise operator isn't evidence of that, it's an itinerary/schedule of where the ship should be on each date during the cruise.

For example, the itinerary/schedule says that on 12 January morning the ship is due to arrive at H and depart from there before 9am the next day. That's not evidence that the cruise operator considers the approximately 24 hours stay at H to be two port stops. I think UKI could fairly consider that the ship was due to stop at one port, H, for that period of time. As the stop at the port at H had to be cancelled UKI could reasonably consider that one port stop was cancelled. The same reasoning applies to the cancelled stop at port N, where the ship had been due to stop for about 36 hours. UKI could reasonably consider that one port stop at N was cancelled.

UKI didn't rely on a policy exclusion to limit Mrs and Mr B's claim and it didn't need to. It used the policy wording of what was covered to assess and settle the claim. I'm satisfied the policy wording isn't ambiguous. UKI fairly and reasonably settled Mrs and Mr B's claim by paying £150 per person for the two cancelled scheduled port stops, £600 in total.

Mrs and Mr B say if they'd known how UKI was going to use the policy wording they wouldn't have bought the cruise cover. The policy is through a building society account but I understand they bought the cruise cover option. If Mrs and Mr B are unhappy about how the cover was sold to them they can make a mis-sale complaint to the business which sold the cruise cover to them. If agreement can't be reached they can ultimately complain to us on that matter. It's fair for me to tell them that we may be unlikely to say the cruise cover has been mis-sold as they were able to make a successful claim even in part. They would also need to show they could have bought a policy at that time that would have paid them benefit for each day cancelled in the same port location.

As I think UKI reasonably settled the claim there's no basis for me to award any compensation to Mrs and Mr B.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 18 August 2025.

Nicola Sisk
Ombudsman