

The complaint

Mr J and Mr N complain about the settlement Astrenska Insurance Limited trading as Collinson Insurance has offered them for a travel delay claim they made on a travel insurance policy.

What happened

The background to this complaint is well-known to both parties. So I've simply set out a summary of what I think are the main events.

Mr J and Mr N were flying abroad on holiday. However, due to an issue with the plane during their outbound flight, it had to return to the UK. Mr J and Mr N were placed on a new flight to their destination the following day, meaning they lost the use of one night of their pre-booked accommodation. So they made a claim on their policy for delayed departure benefit and their unused accommodation cost. They provided Astrenska with a report from their airline which stated that the reason for the delay was 'operational'.

Initially, Astrenska turned down Mr J and Mr N's claim because it said it wasn't covered by the policy terms. However, it later offered to settle the cost of the unused accommodation in line with the abandonment section of the policy, as a gesture of goodwill. And it also offered to pay Mr J and Mr N £50 compensation.

Mr J and Mr N were unhappy with Astrenska's offer and they asked us to look into their complaint.

Our investigator didn't think the evidence Mr J and Mr N had provided showed that their trip had been delayed due to a risk the policy covered. So she didn't think it had been unfair for Astrenska to find that the circumstances of Mr J and Mr N's claim weren't covered by the policy terms. And she felt its goodwill offer of settlement, together with its offer of compensation, was fair and reasonable. Therefore, she didn't think Astrenska needed to do anything more.

Mr J and Mr N disagreed and I've summarised their responses to the investigator:

- There were real difficulties in obtaining the type of evidence Astrenska required. They questioned the fairness of Astrenska relying on a clause requiring such evidence when it should be aware that it was unobtainable.;
- The evidence provided by the airline wasn't representative of the technical issue they'd been told about on board the flight. They felt the report was inaccurate;
- They questioned the deduction of the excess from the settlement Astrenska had offered – as they considered it was either a payment in line with the contract terms or a goodwill offer. They also maintained that they should be paid delay benefit in line with the policy terms;
- They believed the policy terms were unclear and ambiguous and should therefore be interpreted in their favour.

The complaint's 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.

Having done so, whilst I'm sorry to disappoint Mr J and Mr N, I don't think Astrenska has treated them unfairly and I'll explain why.

First, I'd like to reassure Mr J and Mr N that while I've summarised the background to their complaint and their detailed submissions to us, I've carefully considered all they've said and sent us. In this decision though, I haven't commented on each point they've raised and nor do our rules require me to. Instead, I've focused on what I think are the key issues.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. I've taken those rules into account, amongst other relevant considerations, such as regulatory principles, the policy terms and the available evidence, to decide whether I think Astrenska handled this claim fairly.

I've carefully considered the policy terms and conditions, as these form the basis of the contract between Mr J and Mr N and Astrenska. The policy is divided broadly into wider headings, including 'Trip Disruption before you travel and during your trip', 'Medical Sections' and 'Personal Belongings', amongst others. 'Trip Disruption' cover encompasses cancellation cover, curtailment cover, travel delay and missed departure.

The 'Trip Disruption before you travel and during your trip' sets out a broad overview of the main features and exclusions of this part of the policy. It refers only to a policyholder's trip being disrupted by one of the listed, insured events *before* a policyholder travels. It's clear Mr J and Mr N believe that this makes the policy itself unclear and ambiguous. I accept the way this heading was drafted was likely a mistake on Astrenska's part. That's because much of the cover included within the wider 'Trip Disruption' section of the policy clearly applies to events which happen while a policyholder is already abroad. So I've gone on to look at the relevant sub-sections of the policy to decide whether I think Astrenska has clearly explained the cover it provides in Mr J and Mr N's particular circumstances.

As Mr J and Mr N's arrival at their destination was delayed due to an issue with their flight, I think it was reasonable and appropriate for Astrenska to consider the claim in line with the 'Delay and Abandonment' sub-section of the policy. This provides the following cover:

'Delay and Abandonment – if you are delayed'

This section pays out a set amount for each 12 hours your transport is delayed due to one of the reasons listed below.

- 1. Industrial action.*
- 2. Bad weather not including anything listed as a natural catastrophe.*
- 3. Technical fault of transportation including bird strikes.*
- 4. Shortage of crew.*

We will pay up to the sum insured which applies to your trip, not each time you are delayed.

Cover applies under the following circumstances:

1) Delay Benefit

a) Leaving the UK

For costs you may incur whilst you are at the terminal, such as restaurant meals, refreshments, or even additional accommodation. Cover applies once you have arrived at your departure point and have checked in (or attempted to check in), in the event that your pre-booked public transport is delayed in its departure, this benefit will be awarded for each full 12 hours your transport is delayed up to the sum insured.

Delay and abandonment – if you decide to abandon your travel plans

If you are on the outward leg of your journey (to your pre-booked final destination) from the UK and delayed by at least 12 hours due to one of the reasons listed below, you can claim for unused travel and accommodation costs.

....

- 1. Industrial action.*
- 2. Bad weather not including anything listed as a natural catastrophe.*
- 3. Technical fault of transportation including bird strikes.*
- 4. Shortage of crew.'*

In my view, Astrenska has clearly set out the insured 'events' it's chosen to cover under the delay and abandonment section of the policy. In my experience, most, if not all, travel insurers contain very similar terms and cover very similar risks. I don't find these particular terms to be unclear or ambiguous.

It's a general principle of insurance that it's for a policyholder to show they have a valid claim on their policy. That means it was Mr J and Mr N's responsibility to provide Astrenska with enough evidence to show that their arrival abroad was delayed because of one of the specific listed reasons Astrenska covers.

Mr J and Mr N have provided Astrenska with a letter from their airline to support their claim. This states the following:

'Reason for Delay : Operational'

Immediately underneath, the letter says:

'We need to add a few legal points in connection with these details:

When we use the word technical as the reason for a delay, it covers mechanical or electrical faults to aircraft. If there was any other reason for the delay, we say exactly what it was (for instance, Air Traffic Control or Adverse Weather).'

Mr J and Mr N have consistently maintained they were told that their flight had to turn back because of a technical fault. I accept this may have been the case and that the airline's letter may not accurately reflect what they were told. But I don't think it was unreasonable for Astrenska to rely on the evidence from the airline to determine the cause of the delay and assess whether it was covered by the policy terms. That evidence indicates that the delay was down to operational reasons. The letter clearly shows that the airline had the option to attribute the cause of the delay to 'technical' reasons but it didn't do so.

As such, I don't think it was unfair for Astrenska to conclude that Mr J and Mr N's claim wasn't strictly covered by the travel delay and abandonment sections of the policy. And as we're not the industry regulator, it's not for us to tell Astrenska what evidence it may ask for or what risks it should and shouldn't cover. In the circumstances, I don't find Astrenska has acted unfairly.

Nonetheless, even though the claim wasn't strictly covered by the policy terms, Astrenska stepped outside of a strict application of the contract and agreed to settle the cost of Mr J and Mr N's lost night of accommodation in line with the abandonment section of the policy. In my view, this was a fair response from Astrenska. I think it was therefore entitled to calculate settlement in line with the abandonment cover set out in the contract. This section incurs a policy excess of £75 per person. And so I don't think it was unfair or unreasonable for Astrenska to deduct the relevant policy excess from the settlement it offered to pay Mr J and Mr N.

I appreciate Mr J and Mr N believe that Astrenska should also pay delay benefit as part of the claim settlement. However, as the claim isn't strictly covered by the policy terms, I don't think there are any reasonable grounds upon which I could direct Astrenska to also pay delay benefit.

In the round, I'm satisfied that Astrenska has made a fair and reasonable offer to settle Mr J and Mr N's claim.

Astrenska accepts it made some mistakes in its handling of the claim, given it wrongly told Mr J and Mr N that the policy wouldn't cover unused accommodation costs. It offered to pay Mr J and Mr N £50 compensation to reflect the trouble and upset this mistake caused them. I think this was a fair, reasonable and proportionate award of compensation and I'm not telling Astrenska to pay anything more.

Overall, while I sympathise with Mr J and Mr N's position because I appreciate their holiday plans were disrupted and they were put to some inconvenience, I'm satisfied Astrenska has already made a fair offer to settle this complaint,

My final decision

For the reasons I've given above, my final decision is that Astrenska has already made a fair offer to settle this complaint and I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Mr N to accept or reject my decision before 11 July 2025.

Lisa Barham
Ombudsman