

The complaint

Mr K and Mrs M complain that Chubb European Group SE hasn't fully settled a curtailment claim they made on a travel insurance policy.

As Mrs M made the complaint to us, I've referred mainly to her.

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 K and Mrs M hold travel insurance as a benefit of a packaged account with their financial provider.

In December 2023, Mr K, Mrs M and their family were abroad on holiday in a country I'll call P. They were due to fly back to the UK in mid-January 2024. Sadly, Mrs M's close relative – who lived in a country I'll call F – passed away. So, Mrs M cut short the trip and she and the family travelled to F for their relative's funeral. They subsequently flew back to the UK.

A few months later, Mrs M made a claim for the costs of cutting short the trip – including the cost of new flights from P to F and the additional flight from F to the UK.

Ultimately, Chubb agreed to partly settle Mrs M's claim. It said the claim wasn't strictly covered by the contract terms because Mrs M and her family had flown from P to F, rather than to the UK. But it agreed to refund the costs of the family's unused return flights from P to the UK and it paid a contribution towards the costs of the flight from P to F. It also acknowledged it hadn't handled Mrs M's claim as well as it should've done and so it paid her £150 compensation.

Mrs M was unhappy with the partial settlement she received. She felt Chubb should cover the full costs of the new flights from P to F and then the flight on from F to the UK. So, she asked us to look into her complaint.

Our investigator didn't think Chubb needed to do anything more. She didn't think that the claim was strictly covered by the policy terms, so she felt Chubb had settled the claim fairly. And while she acknowledged that Chubb hadn't handled the claim as well as it should have done, she thought it had already paid Mrs M fair compensation.

Mrs M didn't agree. In summary, she said she'd taken all reasonable steps to return to the UK directly, but there weren't any available flights. The situation had been time-sensitive, so Mrs M had made the reasonable decision to fly to F and then arrange flights on to the UK. She felt that her actions had saved Chubb money and that she'd therefore tried to mitigate her own and its losses. She also considered that the policy terms covered policyholders who'd had to cut short their trips due to tragic events and didn't prohibit routing via another country or state that curtailment had to be to the UK. She felt Chubb had set a precedent by covering some of her costs and this implicitly recognised the legitimacy of her situation. She considered that Chubb's decision to limit settlement based on geography was inconsistent

with the real-world expectations of a reasonable policyholder acting in good faith.

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 very sorry to disappoint Mrs M, I don't think Chubb has treated her unfairly and I'll explain why.

First, I'd like to offer Mrs M, Mr K and their family my sincere condolences for their sad loss. It's clear this has been a very difficult and upsetting time for them. I'd also like to reassure Mrs M that while I've summarised the background to this complaint and her detailed submissions to us, I've carefully considered all she's said and sent us. In this decision though, I haven't commented on each point that's been made 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 Chubb treated Mrs M fairly.

I've first considered the policy terms and conditions, as these form the basis of the insurance contract. Mrs M had to curtail her holiday due to the sad passing of her close relative. So, I think it was fair and appropriate for Chubb to consider her claim under Section A – 'If you have to cancel or cut short your trip.' This says:

'We'll pay up to £5,000 if you have to cancel your trip or cut it short for a reason listed below. We'll refund the cost of travel, accommodation based on the number of unused days you have remaining...

*We'll pay reasonably [sic] extra travel and accommodation costs to bring you **home** early because of a close family member's sudden, unexpected death, serious illness, or accident. We'll only do this if you were abroad at the time.'* (My emphasis added)

Chubb hasn't defined what it means by 'home' in the contract. So, I've considered well-known dictionary definitions of it. These say: *'the house, apartment, etc. where you live'* and *'your usual place of residence.'* I think most reasonable consumers would understand the word 'home' in the same way – the place where a policyholder lives. As such, I think the policy terms make it clear enough that Chubb will only pay for an insured person's extra travel costs to return them to their usual place of residence in the event of their family member's sudden death or illness.

In this case, Chubb has already refunded Mr K and Mrs M for their pre-booked, unused return flights – which were booked from P to the UK. I think this was fair and reasonable and represented Mrs M's unused travel costs. It isn't clear whether she had any unused accommodation costs.

Mrs M's additional travel costs though weren't to return her to her *home* – they were to fly the family to F to allow them to attend a funeral. I can entirely understand why Mrs M decided to travel to F rather than to the UK – both due to costs and time constraints. But this does mean that the costs she incurred weren't covered by the terms of the insurance policy.

However, Chubb chose to make a payment towards Mrs M's additional travel costs for the flights from P to F outside of a strict application of the contract terms. In my view, this was a fair and reasonable response from Chubb. It doesn't mean though that Chubb is bound to pay all the costs Mrs M's claimed for or that it's created any precedent. And it remains the case that Mrs M would always have needed to pay for return flights from P, even if she hadn't had to cut short her trip because the policy only covers 'additional' travel costs over and above an insured person's unused travel costs. This means that Chubb's contractual liability would only have been to pay for costs over and above the costs of the original flights. So, I don't think Chubb would ever have been contractually bound to pay for Mrs M's full flight costs from P to F, as well as her unused return flights from P to the UK.

Mrs M says that she mitigated Chubb's losses because flights to the UK were more expensive than flights to F. I've considered this carefully. I've thought about whether it would be fair and reasonable for me to direct Chubb to make a further contribution towards Mrs M's costs if it would have been liable to pay higher additional travel costs had she flown to the UK.

After the investigator issued her assessment, Mrs M sent some evidence which she says indicates that flights to the UK were more expensive than flights to F. It isn't clear to me that Chubb has had an opportunity to consider this evidence or to decide whether it alters its understanding of Mrs M's claim. So, I don't think it would be fair or reasonable for me to make a substantive finding on whether Mrs M did mitigate Chubb's costs. I do note though that the evidence she's provided isn't particularly clear as to the actual cost of flying from P to the UK in January 2024, as the total price quoted also includes flights from the UK to F and then from F on to P in September 2024. These flights significantly post-date the curtailment of Mrs M's original trip. It's open to Mrs M to send this evidence to Chubb should she wish to do so for its review.

While I appreciate Mrs M incurred additional costs in flying from F back to the UK, I don't think it was unfair for Chubb to conclude that these weren't covered by the policy terms either. That's because these weren't costs associated with Mrs M's original trip booking – they weren't unused travel costs and nor were they incurred as part of the rearranged return flights from P to F.

This means then that while I'm very sorry to disappoint Mrs M, I think that based on the evidence Chubb had when it issued its final response to her complaint, it's already settled her claim fairly and reasonably.

It's clear that Chubb didn't handle the claim as well as it should have done, and it didn't communicate with Mrs M in a timely way. I don't doubt this caused Mrs M additional upset and inconvenience at an already difficult time. But I think the £150 compensation Chubb's already paid Mrs M is a fair, reasonable and proportionate award to reflect the likely impact of its actions on her. So, I don't think it needs to pay anything more.

Overall, while I'm sorry to cause Mrs M and Mr K further upset and while I sympathise with their position, I'm not telling Chubb to do anything more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs M to accept or reject my decision before 20 August 2025.

Lisa Barham
Ombudsman