

## **The complaint**

Mr S complains about how Red Sands Insurance Company (Europe) Limited dealt with a claim against his travel insurance policy. Reference to Red Sands includes its agents.

## **What happened**

In summary, Mr S had a single trip travel insurance policy underwritten by Red Sands. The period of insurance was 11 September 2024 to 17 September 2024. Mr S says he was at the airport when he received notification from the airline that it had cancelled his outbound flight because of industrial action at the airport at his destination. The airline rescheduled Mr S' flight for the same time as his original flight but on the following day. Mr S missed the first day of a four day tour which started on 12 September 2024. He attended days two to four of the tour and continued with the remainder of the trip.

Mr S made a claim against his policy. Red Sand settled Mr S' claim in relation to travel delay benefit. It denied his claim in relation to additional expenses at the airport and losses arising out of him missing one day of the tour.

Mr S accepted Red Sands' decision in relation to his claim for additional expenses at the airport. He didn't think Red Sands had treated him fairly in relation to the part of his claim arising from missing the first day of a tour. Mr S pursued his complaint. In response to Mr S' complaint, Red Sands said what happened here isn't covered by the cancellation and curtailment sections of the policy and as Mr S didn't abandon his trip, it correctly settled his claim for delay benefit only.

Mr S says if he'd abandoned his trip he would have been able to claim for the cost of the four day tour. He says Red Sands' rejection of his claim is against the spirit of the cover. Mr S wants Red Sands to settle the remainder of his claim.

One of our Investigators looked at what had happened. She didn't think cancellation of an outbound flight due to unexpected industrial action was an insured event in either the cancellation or curtailment sections of the policy. The Investigator said as Mr S continued his trip, she couldn't fairly say it was abandoned. So, she didn't think Red Sands had acted unfairly or unreasonably in declining part of Mr S' claim, as it wasn't covered by the policy terms.

Mr S didn't agree with the Investigator. He said he was forced to cancel a substantial and meaningful part of his trip and the fact he continued his trip doesn't mean there was no cancellation here. Mr S referred to information on this service's website about lost time on holiday. He says Red Sands adopted a rigid interpretation of what amounts to the cancellation of a trip.

Mr S said whilst he didn't abandon the entire trip, the purpose and value of his trip were significantly frustrated. He also says Red Sands interpretation of the policy amounts to frustration of the contract of insurance. Mr S says he expected to have cover for pre-paid elements of the trip which became unusable. He says the policy is ambiguous and should be interpreted in his favour.

Mr S said Red Sands hasn't acted in accordance with its obligations. He said missed excursions and unused accommodation are covered risks. Mr S said Red Sands hasn't acted in accordance with his consumer rights.

The Investigator considered what Mr S said but didn't change her view. Mr S asked that an Ombudsman consider her complaint, so it was 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.

The relevant rules and industry guidance say Red Sands has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. In this decision, I'm looking at whether Red Sands treated Mr S fairly and reasonably in declining part of his claim.

I've summarised this complaint and what's been said in far less detail than Mr S. I don't respond to every single point made. No discourtesy is intended by that. Instead, I've focussed on what I think are the key issues here. The rules that govern our service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to fulfil my statutory remit.

The starting point is the terms and conditions of the policy but I also consider what's fair and reasonable. I don't uphold Mr S' complaint and I'll explain why:

- 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. In general terms, insurers can decide what risks they wish to cover.
- The cancellation and curtailment sections of the policy don't assist Mr S here. That's because those provisions cover cancellation and curtailment caused by certain, specified events which aren't relevant here. The list of events leading to a successful cancellation or curtailment claim are the ones we usually see in this kind of policy.
- Mr S says Red Sands has adopted a rigid interpretation of what amounts to the cancellation of a trip. A trip is defined in the policy as:  
*'A holiday or journey for which **you** have made a booking such as, a **flight** or accommodation that begins when **you** leave **home** and ends on **your** return to either (i) **your home**, or (ii) a hospital or nursing home in the **United Kingdom**, the **Channel Islands**, Isle of Man or **BFPO**, following your **repatriation**.'*  
Red Sands is entitled to rely on that definition.
- Mr S' tour doesn't come within the policy's definition of a trip. Even if I reached a different conclusion about that, Red Sands wouldn't be obliged to consider Mr S' claim under the cancellation or curtailment provisions. That's because what happened here isn't one of the insured events in either the cancellation or curtailment sections of the policy.

- The '**Missed departure and Travel delay**' section of the policy provides for travel delay benefit if the departure of an international flight is delayed for more than 12 hours from its scheduled departure time provided the insured isn't claiming for loss of accommodation or excursions and is at the airport at the time of the delay. This is the provision under which Red Sands settled Mr S' claim.
- The '**Missed departure and Travel delay**' section of the policy also provides for an alternative claim for abandonment and covers unused travel and accommodation costs after 12 hours delay of an outbound departure, provided the flight wasn't cancelled by the airline.
- The event that led to Mr S' claim was the airline's cancellation of his outbound flight. When deciding what we think is fair and reasonable in all the circumstances of a case of this nature, we'd generally consider the ultimate impact of the situation on the consumer. If Mr S was unable to arrange an alternative flight within a reasonable time then the impact of the situation on him is the same as if the original flight was delayed then cancelled.
- However, there's no cover for abandonment following delay if the flight was cancelled by the airline. In the circumstances here, I don't think it would be fair and reasonable to direct Red Sands to deal with Mr S' claim for losses in relation to the day of the tour he missed as if he had in fact abandoned his trip. That's because if Mr S had abandoned his trip, Red Sands could have relied on the exclusion in the policy as the airline cancelled the flight. So, it's not the case that Mr S could have made a successful claim for abandonment if he'd chosen a different course of action.
- Mr S has referred to information on this service's website about lost time on holiday. The information said where the insured could have made an abandonment claim, we might think it's fair for an insurer to consider covering any unused costs up to the value of any abandonment claim. Each case is considered on its own facts and merits. In this case, for the reasons I've set out above, Mr S could not have made a successful abandonment claim if he'd chosen to abandon his trip.
- Mr S said the purpose and value of his trip were significantly frustrated. I don't agree. Mr S continued with the remainder of his trip. Mr S also says Red Sands interpretation of the policy amounts to frustration of the contract of insurance. Again, I don't agree. Red Sands is simply seeking to rely on the terms of the policy. It's entitled to do that. Mr S had the benefit of the cover the policy offered for the remainder of his trip and Red Sands has settled part of Mr S' claim. There are no grounds on which I can conclude that the contract of insurance has been frustrated.
- The policy terms are ones we'd generally expect to see in a policy of this type. I've looked carefully at the documentation. I don't agree there's ambiguity in the relevant terms.
- For the reasons I've explained, I think Red Sands declined part of Mr S' claim in accordance with the policy terms and I don't think it treated Mr S unfairly or unreasonably in doing so. It follows that I don't uphold his complaint.

### **My final decision**

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 S to accept or reject my decision before 29 July 2025.

Louise Povey

**Ombudsman**