

The complaint

Mr C is unhappy that Zurich Insurance Company Ltd (Zurich) declined to fully cover the cost of his cancelled trip on his travel insurance policy.

Any reference to Zurich includes all its agents.

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 key events.

Mr C had an annual multi-trip travel insurance policy which started on 30 September 2024. The policy is underwritten by Zurich.

Mr C booked a short trip with his wife and daughter from 17 September 2024 to 21 September 2024.

Unfortunately, on 11 September 2024, Mr C's daughter was unwell. She was admitted to hospital and had emergency surgery. So, on 14 September 2024, Mr C cancelled the trip. He made a claim to Zurich for the cancellation costs. Zurich accepted the claim and paid Mr C's share of the accommodation cost.

Mr C made a complaint as he said there were two other people staying with him and Zurich hadn't paid him for their share. Zurich said there was an exclusion on the policy for travel, accommodation, excursion, or other costs of any person not insured on this policy, regardless of whether Mr C has paid those costs on their behalf.

Unhappy, Mr C brought his complaint to this service. Our investigator didn't uphold the complaint. She thought it was fair for Zurich to cover only Mr C's cost of the trip based on the terms and conditions of the policy.

Mr C disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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 insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly. I've taken these rules into account when looking at this complaint.

I've started by looking at the terms and conditions of Mr C's travel insurance policy as this forms the basis of the insurance contract between the two parties.

On page 44 of the policy document, under the '*General Exclusions*' section it states:

'YOU ARE NOT COVERED

For any claim resulting from or relating to:

32) travel, accommodation, excursion, or other costs of any person not insured on this policy, regardless of whether you have paid those costs on their behalf.'

The above is an exclusion on the policy, and I don't think it's unclear. It's a specific exclusion on the policy for claiming accommodation costs for any person not insured.

Mr C took out the travel insurance in his name only, so he was the only one insured on the policy. Mr C's wife and daughter were not insured on the policy. So, whilst Mr C says he'd bought the trip as a gift for his wife and daughter the policy is clear in providing a specific exclusion for claims such as these.

Insurance policies don't cover every eventuality, and the premium paid on the policy reflects the risk the insurer takes in providing that cover. There's no evidence in the information I've looked at to show that Mr C's wife or daughter were insured on the policy. So, I'm afraid I can't safely say that Zurich is responsible for settling the full claim.

I fully appreciate that Mr C had no option but to cancel the policy. And I'm sorry that his daughter was unwell and had to be hospitalised. But I have to consider the policy terms and conditions and decide what's fair and reasonable in the circumstances of the complaint.

Having taken everything into account, I don't think Zurich has unfairly settled Mr C's share of the claim. In terms of the cover available on the policy, I'm satisfied Zurich has accepted and settled this fairly. It also hasn't acted outside the policy terms and conditions. I understand this will disappoint Mr C, but the terms are clear, and I can't reasonably ask Zurich to pay for a claim that isn't covered under the policy. Overall, therefore I don't think Zurich has done anything wrong and it follows that I don't require it to do anything further.

My final decision

For the reasons given above, I don't uphold Mr C's complaint about Zurich Insurance Company Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 September 2025.

Nimisha Radia
Ombudsman