

## **The complaint**

Mr and Mrs R complain because U K Insurance Limited ('UKI') hasn't paid their travel insurance claim.

## **What happened**

Mr and Mrs R hold a 'Home Insurance Plus' policy which includes travel insurance cover underwritten by UKI.

Mr and Mrs R were due to travel abroad with their family but, unfortunately, had to cancel the holiday when Mr R's father sadly passed away. Mr and Mrs R transferred their accommodation to other dates but made a claim with UKI for the irrecoverable costs of their flights.

UKI said Mr and Mrs R's policy didn't cover claims relating to certain pre-existing medical conditions of close relatives.

Unhappy, Mr and Mrs R complained to UKI before bringing the matter to the attention of our service.

One of our Investigators looked into what had happened and said she didn't think UKI had acted unfairly or unreasonably in the circumstances. Mr and Mrs R didn't agree with our Investigator's opinion, so the complaint has been referred to me to make a decision as the final stage in our process.

## **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'm sorry to hear about the sad circumstances which led to this complaint, and I'd like to offer Mr and Mrs R and their family my sincere condolences for their loss.

The rules which govern our Service require me to take relevant considerations such as the law, regulatory rules and guidance and what I consider to be good industry practice into account when making this final decision.

In particular, the Financial Conduct Authority's 'Insurance: Conduct of Business Sourcebook' says insurers must handle claims fairly and shouldn't unreasonably reject a claim. Consumer Duty principles say a firm must act to deliver good outcomes for retail customers and sets out a number of cross-cutting rules as to how firms should act to achieve this.

I've read and carefully thought about everything Mr and Mrs R have said relating to Consumer Duty, but I won't be addressing all their detailed submissions in this regard, nor am I obliged to. Consumer Duty is just one of a number of many relevant considerations which I must take into account, and Consumer Duty principles are not the sole determining factor for this complaint. My overriding remit is to make a decision based on what I think is fair and reasonable in all the circumstances, and this includes having regard to the wording

of the contract between Mr and Mrs R and UKI.

Mr and Mrs R have mentioned various other industry guidelines in relation to packaged bank accounts and signposting rules, but I don't think these are relevant to the circumstances of this complaint because Mr R's father wasn't actually insured under this policy. Any general statements made by the Financial Ombudsman Service about travel insurance don't alter the outcome of this complaint, as this always depends on the individual circumstances of the case.

The terms and conditions of Mr and Mrs R's policy set out UKI's obligations to them. The policy in force at the time of this claim excludes the following:

*'Any claim for cancelling or cutting short your trip because a close relative...*

- a. has a medical condition that has resulted in inpatient treatment or being put on a waiting list for hospital treatment*
- b. is diagnosed with cancer*
- c. is given a terminal prognosis*

*in the 12 months leading up to the start or renewal date of this insurance..., or the date when you booked your trip, whichever is later.'*

For the avoidance of doubt, previous versions of this policy contained a similar exclusion.

Mr R's father's death certificate shows he died from cancer, which he was undergoing treatment for at the time Mr and Mrs R booked this holiday. I understand the cancer wasn't terminal at that point and there was a positive prognosis, so I accept that the reason for the cancellation of the holiday was unforeseen by Mr and Mrs R at the time of booking.

However, an insurer is entitled to decide the level of risk it is prepared to accept in return for the payment of a premium and exclusions like this are common in most, if not all, travel insurance policies on the market.

Travel insurers do not generally wish to and are under no obligation to insure what is generally considered to be a very wide and uncertain risk relating to the medical history of non-travelling parties.

There was no requirement on UKI to ask Mr and Mrs R about the pre-existing medical conditions of any parties who are not insured under the policy because this is a risk which, in the circumstances listed above, simply isn't covered.

I'm satisfied the policy wording is clear with regard to the exclusion for claims relating to the health of a close relative and I don't think the renewal documents which Mr and Mrs R were sent were unclear either, given the nature of this policy. And, even if I were to accept that the above policy exclusion should have been specifically brought to Mr and Mrs R's attention at renewal, I think it's very unlikely they'd have been able to source an alternative travel insurance policy anywhere on the market which would have covered the circumstances they ultimately found themselves in.

While I appreciate Mr and Mrs R feel strongly about their complaint and have lost out financially, I need to reach an outcome which is independent and impartial for both parties. The situation Mr and Mrs R are claiming for simply isn't a risk which was insured under their policy and there are no reasonable grounds upon which I could fairly direct UKI to accept

this claim outside of a strict interpretation of the policy terms and conditions.

I'm sorry to disappoint Mr and Mrs R but I don't think UKI has acted unfairly or unreasonably in the circumstances, so I won't be directing it to do anything further.

**My final decision**

My final decision is that I don't uphold Mr and Mrs R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 3 September 2025.

Leah Nagle  
**Ombudsman**