DRN-5748768

The complaint

Mr S complains because Zurich Insurance Company Ltd ('Zurich') has only partially settled his travel insurance claim.

All references to Zurich include the agents appointed to handle claims on its behalf.

What happened

Mr S is insured under a travel insurance policy underwritten by Zurich, provided as a benefit of a packaged bank account.

Unfortunately, while on holiday abroad, Mr S became very ill and obtained medication from a pharmacy. One week before his original return flight, Mr S rescheduled that flight to instead come back to the UK around one month later. Mr S also paid for accommodation abroad for an extra month. Mr S was subsequently treated in hospital abroad for his illness and then contacted Zurich to make a claim under his policy.

Zurich paid for the medical expenses which Mr S incurred abroad but said it wouldn't pay for flight or accommodation costs as there was no evidence that Mr S wasn't fit to fly on his original return date and/or no evidence that it was medically necessary for Mr S to extend his trip by a further month.

Unhappy, Mr S complained to Zurich 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 Zurich had acted unfairly or unreasonably by turning down part of Mr S's claim. However, she said she thought Zurich should pay Mr S £100 compensation for customer service issues relating to a telephone call which took place a few days before Mr S eventually returned to the UK.

Mr S didn't agree with our Investigator's opinions and Zurich didn't respond, so the complaint has now 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've read all of Mr S's detailed submissions, but I don't intend to address every point raised, nor am I obliged to. Instead, reflecting our Service's role as an informal alternative to the civil courts, I'll only be addressing what I consider to be the key issues.

Industry rules set out by the regulator say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, alongside other relevant considerations, into account when making my final decision.

The policy terms which Mr S has quoted cannot be read in isolation. The contract must be read as a whole. Mr S's policy like most, if not all, travel insurance policies on the market,

only covers the cost of extending a trip where it is medically necessary to do so. And the policy terms and conditions require Zurich to be notified of an emergency medical assistance claim as soon as possible. I'm satisfied these policy terms are clear and unambiguous.

While I, of course, have sympathy for the situation Mr S found himself in and I understand he was abroad without support from family or friends, I must reach an independent and impartial decision which is fair to both parties.

Mr S didn't notify Zurich before rearranging his flights. The policy terms and conditions require him to do this and, even if the policy terms were unclear or ambiguous in this regard (which I don't think they are), I still think it would be reasonable for a policyholder to contact their travel insurer before making any decision to extend their trip. Mr S didn't contact Zurich until over two weeks after he'd already changed his flights and booked extended accommodation, which is far longer than I'd consider reasonable.

I'm satisfied this delay disadvantaged Zurich because it lost the opportunity to provide advice about the claim during this time and to have the input it was entitled to into any decisions which were being made about Mr S's medical treatment and/or repatriation. I don't agree with Mr S's submissions that Zurich's failure to identify his claim in a call which took place over three weeks after he first fell ill and a few days before he eventually returned to the UK is evidence that he was unable to obtain Zurich's prior approval before amending his plans.

I understand Mr S says he was medically unfit to travel home on his original return flight. I accept there's evidence in the form of a pharmacy receipt to show when Mr S first became ill. I also accept there's evidence in the form of a medical report to show Mr S was admitted to hospital around ten days after the date of his original return flight. And, Mr S says he sought medical advice on his return to the UK because of his symptoms.

However, there's no contemporaneous medical evidence which says, on the date Mr S booked his new flight, he was unfit to fly on his original return flight and/or that it was medically necessary for him to extend his trip for the length of time he did. If Mr S had contacted Zurich before amending his flight, as I think he reasonably should have, Zurich could have advised him about what cover was available under the policy and what medical evidence was needed.

I've considered the medical certificate completed by Mr S's GP. I accept this says Mr S would have been advised against travel had he sought medical advice on the day he first became unwell. However, it wouldn't be fair for me to disregard the fact that this medical certificate was completed retrospectively. In any event, this medical certificate doesn't comment on Mr S's ability to travel on his original return date and/or whether it was medically necessary for Mr S to extend his trip for the length of time he did.

The fact that Zurich accepted Mr S's medical expenses claim doesn't prevent it from declining his claim for the other costs, because different considerations apply to each of the claims. And any inaccurate suggestion by Zurich that the outstanding claim may have been accepted on provision of the medical certificate from Mr S's GP doesn't mean it must accept a claim which isn't otherwise covered under the terms and conditions of the policy. I note Zurich reimbursed Mr S for the cost of obtaining this medical certificate, and I think this was fair and reasonable in the circumstances.

This means I don't think it was unfair or unreasonable for Zurich to conclude that Mr S's claim for flights and additional accommodation wasn't covered under the policy.

Overall, I'm satisfied Zurich handled this claim in a timely manner and I don't think it acted unreasonably in the circumstances by requesting the information it did from Mr S. Making an

insurance claim will inevitability involve having to correspond with an insurer and, for the most part, Zurich handled this claim in the way I'd have expected it to.

I have no power to punish or fine a business for its actions, nor do I have the power to require a business to change its internal processes in respect of how it deals with claims. I can only award compensation for what I think the impact of any of Zurich's errors were – and not for the inevitable stress of falling ill abroad. It wouldn't be fair or reasonable to draw any adverse inferences into Zurich's failure to provide recordings of the calls with Mr S (or, indeed, into Zurich's failure to respond to our Investigator's opinion). I accept Mr S's version of events about the frustration and inconvenience caused by the call in which Zurich couldn't locate details of Mr S's claim, and Zurich has acknowledged it shouldn't have told Mr S to contact the number he did. However, compensation at the level which Mr S is seeking simply isn't something I'd consider appropriate for the impact of a mistake of this nature.

I'm sorry to disappoint Mr S but having taken into account our published guidance on the payment of compensation for distress and inconvenience, I'm satisfied an award of £100 is fair and reasonable in the circumstances.

Our Investigator has already explained that if Mr S is unhappy with Zurich's failure to provide him with copies of call recordings, then this would need to be the subject of a new complaint.

Putting things right

Zurich Insurance Company Ltd needs to put things right by paying Mr S £100 compensation for the distress and inconvenience he experienced.

Zurich Insurance Company Ltd must pay the compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

My final decision

I'm upholding Mr S's complaint in part, and I direct Zurich Insurance Company Ltd to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 October 2025.

Leah Nagle
Ombudsman