

The complaint

Ms C and Mr S complain that Society of Lloyd's ("SoL") hasn't settled a claim in full under a travel insurance policy.

What happened

Mr S holds a travel insurance policy through his employer, and it also covers his spouse/partner and dependent children. The policy is provided by SoL.

Mr S was due to travel abroad on 6 December 2023 with Ms C and their child. But due to the health of a relative, they had to change their flight to travel on 4 December 2023 instead. Mr S made a claim to SoL for the additional costs they incurred. SoL accepted the claim under the policy terms, but it only paid the difference between what was the original flight cost and what Mr S paid for the new flights. However, Mr S says that the amount he paid was the difference in the flight cost, not the cost of new flights, which also meant there was no refund due from the airline. He said SoL should pay the full amount he paid to the airline.

SoL said it needed written confirmation from the airline of the total cost of the new flights, and confirmation whether any refund had been issued for the original flight. Mr S got in touch with the airline twice, and provided the evidence it gave, but SoL said this wasn't enough for it to validate the claim as there was insufficient evidence to verify what had been paid in total.

However, SoL offered to pay Mr S £250 in compensation for the distress and inconvenience caused due to the delays in responding to communications and the poor handling of the request to make a complaint. Ms C and Mrs S remained unhappy that SoL hadn't paid their claim in full, despite the evidence they'd sent.

One of our investigators reviewed the complaint. Having done so, he thought Mr S had provided sufficient evidence that he suffered a loss of £7,301 in relation to the flight amendments. He didn't think SoL acted fairly or reasonably when it insisted on further evidence from the airline before validating the claim. So, the investigator said SoL should now pay the claim in full (subject to the remaining policy terms), pay 8% interest on this amount, as well as pay the £250 it had previously offered (if not yet paid).

SoL didn't accept the investigator's findings. It said Mr S hadn't sufficiently evidenced the extent of the loss. But it said that if Mr S could show he had physically made the two payments for the flights, the original payment and the additional payment of £7,301, it would reconsider the matter.

Mr S provided copies of his credit card statements to show that he had made both of these payments to the airline. SoL reviewed these, but it said that Mr S still hadn't provided confirmation from the airline that it would not provide any refund. SoL thought the airline had made a mistake in what it charged Mr S, as it should have only charged a difference in fare. And under the policy terms, SoL would only pay for costs that weren't otherwise recoverable. It maintained that its position was fair and asked for an ombudsman's review.

As no agreement was reached, the complaint was passed to me to decide. I asked Mr S to send copies of the email correspondence he had with the airline, and I shared these with SoL. I explained that I thought Mr S had provided reasonable evidence in support of his claim, and so it should now pay the claim. But as SoL didn't have all the evidence until recently, I wouldn't be directing it to pay interest on the claim amount.

SoL didn't agree, and it maintained that the airline had made a mistake, and the evidence it had asked for was reasonable to validate the claim. And if the airline failed to provide the information, Mr S should pursue a complaint against the airline.

In an attempt to mediate the complaint, I asked Mr S to contact the airline once again for the information SoL had previously asked for. He did so, but the airline didn't provide any further information. I also explained to Mr S that as it didn't look like SoL had all the evidence to support the claim until recently, I wouldn't be directing it to pay interest on the claim amount.

As there still was no agreement reached, I'm now issuing my final decision.

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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of this complaint.

The policy provides cover for changing the itinerary of a pre-booked insured journey. As SoL has accepted the claim under the policy terms, I make no finding on this in my decision. This complaint is solely whether Ms C and Mr S have provided reasonable evidence to support their claim, and in line with the policy terms.

Cover under the relevant section of the policy terms is for costs that are:

“reasonably and necessarily incurred and that are forfeit under contract or are not otherwise recoverable”

In short, SoL says that the information it has asked for is to show that the costs Ms C and Mr S are claiming for aren't otherwise recoverable. The policy terms also say under “How to Make a Claim” the following:

“You must provide our adjustors with all information we may reasonably require including a fully completed claim form.”

So, I agree that SoL is entitled to ask for reasonable evidence that the cost being claimed for aren't otherwise recoverable to validate the claim. Mr S has provided a copy of the original booking showing the original flights, and the “*Payment Total*” showing how much he paid for the flights. Mr S has also provided a credit card statement showing he was charged this amount by the airline.

Mr S has also provided an email from the airline which says “*Your booking has been changed*”, with the same booking reference. This shows the “*Total new payment*” as £7,301, and the following explanation:

“The additional payment reflects the amount charged to your payment method for this transaction and is in addition to the payment made against the original booking.”

Mr S has also provided a credit card statement showing he was charged this amount by the airline.

When SoL said it needed further evidence from Mr S to support the claim, he got in touch with the airline in January 2024. Mr S asked for information about the cost of changing the flight. The airline said it was unable to re-send a duplicate receipt, but it set out the cost of the original tickets, as well as the cost of the re-issued tickets along with the booking change fees. Both total amounts were the same as set out in the booking confirmations Mr S had already provided.

When SoL still didn't accept this as sufficient evidence to validate the claim, Mr S got in touch with the airline again in March 2024. He specifically asked if it would refund the cost of the original flight. The airline sent the same information it had sent Mr S in response to his previous request, and it also said the following:

“Whenever you make any date change request, you will need to pay the change fee and the fare difference if any. I'm very sorry to disappoint you and I appreciate that the cost quoted to you isn't something you anticipated, however the fee for changing your booking can't be waived for the reason you mention. This restriction is part of the fare conditions that you agreed to when you bought your flight(s) [...]”

Mr S has also since got in touch with the airline once more, but he says the airline told him the only information it can give is what it has already provided.

Having considered everything, I think Ms C and Mr S have provided reasonable evidence in support of the claim, as required under the policy terms. They've provided evidence of the original flight cost, what they paid for changing the flight, and the airline has confirmed that when a change is made, a fare difference needs to be paid. This is also supported by the airline's terms, as SoL has accepted.

SoL believes the airline has made a mistake and it charged Mr S for the full cost of new flights, rather than a difference in cost between the original flights and the new flights. So, it says the airline should refund Mr S the cost of the original flights. It said Mr S should pursue a complaint against the airline, and ultimately the airline's dispute resolution service, to obtain evidence to show the original flight costs aren't recoverable from the airline.

I don't think this is reasonable in the circumstances. Mr S has provided credit card statements to show how much the airline charged him, and these amounts align with the booking confirmations. He's also provided evidence from the airline on a further two occasions that shows how much he paid for changing the flights. The airline has also confirmed that when a change is made, a fare difference is charged, which is supported by the airline's terms. And Mr S has tried to get in touch with the airline once more since, but he hasn't been able to get any further information.

SoL says that the explanation about the additional payment in the change of booking refers to the difference between the original and the new total payment, rather than the entire new total payment being the additional payment. But I don't agree. It says "*The additional payment reflects the amount charged to your payment method for this transaction*", and Mr S was charged £7,301 on his credit card. It then continues to say that this "*is in addition to the payment made against the original booking*". And along with the other information about the airline charging a difference in fare when a change is made, this supports that this is the additional payment that's charged for the difference in fare against the original booking, rather than the full cost of new flights.

Overall, I'm satisfied Ms C and Mr S have provided reasonable evidence to show the loss they suffered for the change in flights was £7,301 and that there's no refund due from the airline. They've also made reasonable attempts to try to obtain more detailed information in response to SoL's requests. I think SoL should now accept this is an irrecoverable loss, and it should pay the claim in line with the remaining terms and conditions of the policy. But as SoL didn't have all the evidence, including full copies of the email correspondence Mr S had with the airline and his credit card statements, I don't think SoL needs to pay any interest for the time Mr S has been out of pocket.

Ms C and Mr S haven't suggested that the compensation SoL offered for how it handled everything isn't fair or reasonable. So, I see no reason to ask it to pay anything further. It's not clear if SoL has already made this payment, so if it hasn't, it should now pay Ms C and Mr S the £250 compensation as offered.

My final decision

My final decision is that I uphold Ms C and Mr S' complaint and direct Society of Lloyd's to take the following action:

- accept that Mr S has provided reasonable evidence to support a claim for an irrecoverable loss of £7,301 for changing the flights,
- pay the claim on this basis in line with the remaining terms and conditions of the policy, and
- pay the £250 compensation that was offered, if not already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mr S to accept or reject my decision before 13 January 2026.

Renja Anderson
Ombudsman