

## **The complaint**

The policy is in the name of Mr O's company. However, for ease, I will just be referring to Mr O in this decision.

Mr O has complained that Zurich Insurance PLC won't agree to fully settle a claim he made on the travel insurance element of his company policy.

## **What happened**

Mr O was on a trip abroad that began on 6 May 2023. He became unwell and attended hospital on 30 May 2023. Following investigations, he underwent surgery on 5 June 2023 and was discharged the following day. As I understand it, he returned to the UK as planned on 30 June 2023. He first contacted Zurich on 6 July 2023 to raise the claim. As he had paid for the treatment himself, he was seeking a reimbursement of costs.

Zurich agreed to pay the costs of the initial emergency treatment. However, it declined to pay the costs for the in-patient treatment on the basis that Mr O hadn't contacted it in advance of the procedure or shortly afterwards.

I wrote a provisional decision recently in which I explained why I was thinking of upholding the complaint and inviting the parties to provide any additional comments or evidence. Mr O responded to say that he agreed with the outcome. Zurich reiterated a particular point that I will address below.

## **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 carefully considered the obligations placed on Zurich by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Zurich to handle claims promptly and fairly, and to not unreasonably decline a claim.

Looking at the policy terms, they state:

*'Section 2A — Medical and associated expenses*

*The cover*

*The insurer will pay the insured or the Insured Person for:*

- a) Overseas Medical Expenses*
- b) Travel Expenses*
- c) Emergency Repatriation Expenses*

*incurred as a direct result of an Insured Person becoming ill or sustaining Bodily Injury while on a Journey during the Operative Time for a period not exceeding 2 years from the date of the Bodily Injury or first diagnosis of the illness up to the sum insured in the schedule.*

*Provided always that the insured or an Insured Person must contact Zurich Travel Assistance as soon as possible if illness or Bodily Injury results in the need for in-patient hospital treatment.'*

Zurich's hasn't disputed Mr O's version of events in terms of the onset and seriousness of his condition, and the necessity of his treatment. It's partial declination of the claim is solely based on the timing of Mr O's first contact.

In response to my provisional decision Zurich reiterated that there were a few days between Mr O's initial consultation and his operation. Had he made contact then, it could have looked at the possibility of repatriating him as opposed to covering the full surgery costs.

I did consider this point previously. Mr O's given reason for not making contact then was that he was in no fit state to do so as a result of being on strong painkillers. Zurich's letter of 4 September 2023 explains that the in-patient costs have been declined because no contact was received before or shortly after his treatment.

I can see that there had been a discussion with the underwriters about the definition of 'the first opportunity'. By the time Zurich provided its final response letter of 10 September 2024, its position was that it acknowledged that Mr O may not have been in a fit state to contact it prior to surgery but that it felt he could have done more to get in touch before 6 July 2023. Therefore, I take this to mean that it considered 'the first opportunity' to be after the operation on 5 June 2023 but earlier than 6 July 2023. So, the primary reason for Zurich maintaining its declination of the claim was not Mr O's failure to get in touch prior to the procedure, but the delay in him making contact afterwards. As such, the hypothetical issue of whether it might have repatriated him at an earlier stage somewhat falls away.

I explained in my provisional decision that I understood Zurich's rationale for concluding that Mr O could have made contact sooner and why it felt able to rely on the policy terms to decline the claim for in-patient treatment.

However, I also explained that I can depart from a strict application of the contract terms if I conclude they produce an unfair outcome. Overall, I don't consider that Zurich hasn't been prejudiced as a result of Mr O not making contact until 6 July 2023.

Mr O has been able to furnish Zurich with all the information it requested in support of the claim. Therefore, his slightly late submission wasn't so late that Zurich has been disadvantaged in its ability to accurately assess the claim. On balance, based on the available evidence, I consider it more likely than not that Zurich would have accepted the claim had Mr O contacted it 'shortly' after his treatment.

The additional comments provided by Zurich haven't persuaded me to depart from the outcome I reached in my provisional decision. I consider it would be unfair to rely on a slight delay on Mr O's part to decline what is otherwise a legitimate claim. It follows that I uphold the complaint.

### **Putting things right**

Zurich should put things right by:

- Paying the claim in full, subject to any policy limits and excesses.

- Adding 8% simple interest from the date it was in a position to pay the claim (which I take to be 13 June 2024, when it offered a partial settlement having received a full breakdown of both the emergency and in-patient costs) to the date settlement is made.

If Zurich considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr O how much it's taken off. It should also give Mr O a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

My final decision is that I uphold the complaint and require Zurich Insurance PLC to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 12 September 2025.

Carole Clark  
**Ombudsman**