

The complaint

Mrs B has complained that her travel insurer, Red Sands Insurance Company (Europe) Limited (Red Sands'), turned down a claim she made on her policy.

What happened

Mrs B was due to travel abroad on 17 November 2024 but a few days earlier she decided to cancel due to severe flooding at her destination.

Mrs B then made a claim on her travel policy for her travel and accommodation costs but Red Sands turned it down. It said, under its terms and conditions, it would only cover the claim if there had been an official announcement from the Foreign, Commonwealth and Development Office (FCDO) warning against all or all but essential travel to that destination- which wasn't the case on this occasion.

Mrs B didn't agree and complained. She said that she had been informed that the airport she was travelling to was closed over long periods of time, she had seen photographs of the streets being flooded and was also told restaurants and cafes were closed due to the weather. She said she requires special assistance when she travels due to health issues and was concerned because she was travelling alone.

Red Sands didn't uphold Mrs B's complaint and so Mrs B brought it to our service. She said that the holiday rentals company she booked her accommodation through told her the area was classed as a "red zone" and that people were advised not to travel. The airport was also closed at times and some flights had been diverted to another city. Mrs B said that she was travelling for a very special family reason and would not have cancelled unless she absolutely had to. She said she found the situation very stressful and was also impacted financially by the rejection of her claim.

One of our investigators reviewed the complaint and thought it should be upheld. Our investigator said there were warnings by authorities of the country Mrs B was travelling to that there was significant danger and he considered those to be equivalent to an FCDO warning. He said Red Sands should reassess Mrs B's claim in line with the remaining terms and conditions and add interest to any payment it makes. He also thought it should pay Mrs B £100 compensation for the distress and inconvenience it caused her.

Red Sands didn't agree and asked for an ombudsman's decision. It said that at the time when Mrs B was due to travel the conditions for travel were not prohibitive and warnings had been downgraded. Mrs B cancelled four days before she was due to fly out and so she cancelled prematurely. It also didn't consider the organisation which issued the warnings to be equivalent to the FCDO and said it was only responsible for issuing weather warnings.

Our investigator didn't change his view. He said Mrs B was vulnerable and was travelling alone and so he considered that her actions were reasonable.

The matter was then passed to me to decide.

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.

Under the cancellation section the policy states that Red Sands will pay up to the amount shown in the schedule of cover for, among other things, pre-paid accommodation or transport costs which aren't recoverable. That is as long as the insured was forced to cancel their trip unexpectedly and before they left their home as a result of flooding, among other things. The terms also require that the FCDO or comparable authority of the country the insured was due to visit, changes the travel advice to advise against all or all but essential travel.

Red Sands said that the FCDO issued no such warnings and, therefore, under the terms and conditions, it isn't obliged to cover Mrs B's claim. I don't think Mrs B disputes that there was no FCDO warning. But she said she was concerned about travelling especially as she was due to travel on her own and has provided a number of photographs showing that the streets and also the airport where she was travelling to were fully flooded. She said she was also told that the airport was opening and closing, and she didn't want to risk her flight being redirected especially as she requires special assistance to travel due to various health conditions.

I think Red Sands' decision is in line with the strict interpretation of the terms and conditions of its policy. Nevertheless, in reaching my decision, though I am required to take into consideration, among other things, the terms and conditions ultimately my decision is based on what I consider to be fair and reasonable in all the circumstances.

Taking everything into consideration, I have decided to uphold this complaint. I say this because, even though there was no official FCDO warning against travel or against all but essential travel, I don't think there is any doubt that the weather in the country Mrs B was travelling to was severe. Mrs B provided photographs which show that roads and the airport she was travelling to were fully flooded. Our investigator also referred to a "red alert" issued by the state's meteorological agency who warned of extreme risk of flooding. And from what I have seen, there are also reports that the Civil Protection Agency of the country Mrs B was travelling to, sent a mass alert on 12 November 2024 warning that there was extreme risk of rainfall and for everyone to be very cautious and avoid travel. And only weeks before Mrs B was due to travel there were several fatalities due to flash flooding.

Red Sands argued that the agency our investigator referred to isn't equivalent to the FCDO as its remit is restricted to issuing weather warnings. It may not be the exact equivalent of the FCDO but it nonetheless is a state/government meteorological agency so I think it would be fair and reasonable, in the specific circumstances, to consider it to be comparable to the FCDO. And, at the time, the warnings it issued was that the danger of flooding was

significant.

Red Sands said that, in any event, Mrs B cancelled her travel plans prematurely and had she waited a few days she will have been able to travel as the weather warnings at that time were not as severe.

As I said above, Mrs B said that she suffers from various health conditions and requires special assistance when she travels. I think this would potentially put her in a vulnerable category which Red Sands doesn't dispute. I understand Mrs B will have found travelling, especially travelling by herself, particularly stressful and, as she said, something that required careful planning. For example, she booked accommodation near the hotel to make sure she didn't miss her flight. Mrs B also said she was travelling for a very personal family reason and would not have cancelled unless she felt she had no choice. Looking at the information that was available to Mrs B at the time, I don't think it is unreasonable that she cancelled her trip. And I can see why it would have been difficult to imagine that the situation will have improved to such a degree that it was safe for her to travel in a few days.

Red Sands said that normal services resumed by 15 November 2024 so Mrs B would have still been able to travel had she not cancelled. I think perhaps someone who wasn't vulnerable and didn't require assistance like Mrs B may have waited before cancelling, but in these very specific circumstances, I can understand why Mrs B didn't feel she had a choice but to cancel. I think someone in Mrs B's position will not have wanted to take any risks and, for example, may not have felt as confident about the possibility of having to make last minute changes to their travel plans even if those were small. I think Mrs B will have found the uncertainty particularly stressful. For these reasons, in these very specific circumstances I think Red Sands should reconsider Mrs B's claim in line with the remaining terms of the policy.

I think Mrs B will have also suffered additional distress and inconvenience as a result of her claim being rejected and I agree that Red Sands should pay her £100 for this. I think, in the circumstances, Red Sands could have taken Mrs B's personal circumstances more into consideration before rejecting the claim.

My final decision

For the reasons above, I've decided to uphold this complaint. Red Sands Insurance Company (Europe) Limited must reconsider the claim in line with the remaining terms and conditions of the policy. It should also pay 8% interest per year simple on any payment it makes to Mrs B payable one month from the date the claim was made, which is roughly when the claim was declined, to the date it pays her. Red Sands Insurance Company (Europe) Limited should also pay Mrs B £100 compensation for the distress and inconvenience it caused her.

Red Sands Insurance Company (Europe) Limited must pay the compensation within 28 days of the date on which we tell it Mrs B accepts my final decision. If it pays later than this it must also pay interest on it from the deadline date for settlement to the date of payment at 8% a year simple.

If Red Sands Insurance Company (Europe) Limited considers that it's required by HM

Revenue & Customs to deduct income tax from that interest, it should tell Mrs B how much it's taken off. It should also give Mrs B a tax deduction certificate if she asks for one so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 9 October 2025.

Anastasia Serdari
Ombudsman