

The complaint

Mr P complains that Zurich Insurance Company Ltd declined his claim against a travel insurance policy. Reference to Zurich includes its agents.

What happened

Mr P has the benefit of a group travel insurance policy as part of a bank account. The policy is underwritten by Zurich. He planned a trip which included flights and seven nights in a hotel. On the day of departure, the airline cancelled Mr P's outbound flight. The airline told Mr P the airport was closed due to a power outage in the area.

The airline told Mr P the next available flight was four days later. Mr P didn't think that was suitable. He says if he had taken the replacement flight he would have arrived too late to preserve his prepaid, non-refundable accommodation reservation, as the accommodation provider required him to check-in before a certain time on a particular date.

Mr P booked replacement flights which departed two days later than his original planned departure. Mr P says that meant he arrived at his destination in time to preserve his accommodation booking.

Mr P made a claim against the policy for two night's unused accommodation costs, additional travel and accommodation costs and other expenses. He says his losses were in fact more than the policy limit. Zurich declined his claim. It said what happened here wasn't covered by the policy. Mr P didn't accept that and pursued his complaint. He said he wanted Zurich to pay his unused accommodation costs and additional travel costs, up to the policy limit.

Mr P said whilst he accepts Zurich's strict interpretation of the policy, he believes the policy wording is extremely narrow and doesn't reflect reasonable expectations of the consumer. He said what happened is an exceptional and unforeseeable event. Mr P says he acted reasonably and responsibly to minimise his loss. Mr P says the statement from the Association of British Insurers (ABI) says travel insurance policies should respond to disruption of this nature and it advised consumers to seek support from their insurers.

One of our Investigators looked at what had happened. She didn't recommend Mr P's complaint be upheld. That was because the policy didn't cover what happened here. She thought the policy wording was clear. The Investigator considered the ABI statement but said it doesn't override the content of the policy in this case.

Mr P didn't agree with the Investigator. He said there are important questions of fairness, reasonable consumer expectation and the exceptional nature of the events which led to the closure of the airport. Mr P said he doesn't have an alternative remedy. He said in extraordinary circumstances, he acted promptly and responsibly to mitigate his loss.

Mr P doesn't believe the limitations of cover were made clear to him. He thinks it harsh that Zurich won't cover any part of the unused accommodation costs or additional flight costs. Mr P says whilst the ABI statement isn't binding, it reflects an understanding that what

happened was extraordinary. He thinks Zurich should interpret the policy more flexibly and reasonably.

The Investigator considered what Mr P said but didn't change her view. Mr P responded to say there's ambiguity in the policy wording as what happened here is a technical failure of infrastructure necessary for the aircraft to operate. He said the National Energy System Operator's (NESO's) report concludes the disruption was caused by a catastrophic technical fault. He said these were extraordinary circumstances and it's disproportionate to treat this as something the policy doesn't cover.

Mr P says Zurich should have clearly said at the outset that it does not intend to cover what happened here. He says the ABI statement establishes what the industry sees as a fair approach. Mr P says he's explored every available route to reimbursement. He says Zurich's decision leaves him entirely uncovered for a serious, unforeseen event no reasonable consumer would expect to fall outside cover. Mr P asked that an Ombudsman consider his complaint, so it was 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.

I have considerable sympathy for Mr P. Through no fault of his own, his trip was disrupted and he incurred losses and additional expenses. In this decision, I'm looking at whether Zurich acted in accordance with the policy terms and fairly and reasonably in declining Mr P's claim.

I've taken into account the law, regulations and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say Zurich has a responsibility to handle claims promptly and fairly and must act to deliver good outcomes for retail consumers. I don't uphold this complaint and I'll explain why.

- As the Investigator explained, travel insurance isn't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. In general, and as long as consumers are treated fairly, insurers can decide which risks they wish to accept and the terms on which they're willing to do so. When looking at the terms and conditions, we don't proceed based on what Mr P says he expects to see in the policy: we look at the actual terms and conditions, that is, the risks the insurer agreed to cover.

- The onus is on the consumer to show the claim falls under one of the agreed areas of cover within the policy. The relevant part of the policy in this case says as follows:

'Section 2 – Delayed Departure

What we cover

You are covered in case **your outward journey** travel [...] is delayed for more than 4 hours from the scheduled departure time of **your public transport** as a consequence of unforeseen:

- a) *strike or industrial action; or*
- b) **adverse weather conditions; or**
- c) *mechanical breakdown of or a technical fault occurring in the scheduled **public transport** on which **you** are booked to travel.*

[...]

Important: After a minimum of 24 hours delay on **your outward journey** you may choose to submit a cancellation claim under Section 1 – Cancellation or Curtailment. [...]

- The insured events in the '**Delayed Departure**' section of the policy are ones we typically see in policies of this type. I don't agree the policy is unclear, or its contents are unusual, such that the extent or limits of the cover should have been specifically drawn to Mr P's attention. And we wouldn't expect an insurer to set out everything *not* covered in the policy, so I wouldn't expect to see an exclusion relating to claims arising out of the closure of an airport.
- I've noted what Mr P says about NESO's final report of 30 June 2025, and its conclusions about the cause of the power outage which led to the closure of the airport. I don't think that assists Mr P here as the policy covers delayed departure following an unforeseen '...**technical fault occurring in the scheduled public transport on which you are booked to travel.**' (my emphasis). That's not what happened here.
- I think Zurich acted in accordance with the policy terms when it declined Mr P's claim. I've gone on to consider whether that results in a fair and reasonable outcome in this case.
- The policy provides that after 24 hours delay on an outward journey, Mr P may choose to submit a cancellation claim. I've thought about what would have happened if Mr P had decided to cancel his trip, rather than continue with the trip. In those circumstances, Mr P's claim for cancellation wouldn't have been covered by the policy. That's because the cancellation section of the policy covers certain, specified events which don't include what happened here. So, Mr P wouldn't have been able to make a successful claim for cancellation in the circumstances here.
- I've noted Mr P's reference to the ABI's statement of 21 March 2025. The ABI encouraged consumers to claim refunds from their airline, tour operator or credit card provider. It said where travel insurance policies include trip disruption there should be cover if travel plans are cancelled and it urged consumers to check policy details and speak to the insurer if they are not sure what's included. Mr P didn't cancel his travel plans. Nothing in the ABI statement overrides the policy terms I've referred to above.

- I've noted all Mr P has said about the exceptional nature of the events which led to the closure of the airport. I don't think it would be fair or reasonable to direct Zurich to settle Mr P's claim in whole or in part when it didn't agree to take on the risk of the event - the closure of the airport - which led to the claim. I'm sorry to disappoint Mr P but there are no grounds on which I can fairly direct Zurich to settle his claim.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 October 2025.

Louise Povey

Ombudsman