

## The complaint

Mr and Mrs W, Mr W1 and Miss W complain that Admiral Insurance (Gibraltar) Limited declined their claim against their annual travel insurance policy. Reference to Admiral includes its agents.

Mr and Mrs W have dealt with the correspondence on behalf of Mr W1 and Miss W, so I'll refer to Mr and Mrs W where that's appropriate.

## What happened

Mr and Mrs W, Mr W1 and Miss W have an annual travel insurance policy underwritten by Admiral. They booked a trip and on arrival at the airport the airline told them their outbound flight was cancelled. Mr and Mrs W say the airline didn't offer them alternative flights. They wanted to continue their trip, so they booked new outbound flights with a different airline which departed the following day, more than 24 hours after their original flight. They stayed overnight in a hotel near the airport.

Mr and Mrs W made a claim against the policy in relation to additional accommodation, flight and meal costs. Admiral declined the claim. It said the airline had confirmed the reason the flight was cancelled was because of a '*...Flight crew issue*', which wasn't covered by the policy. Admiral relied on an exclusion in the policy in relation to claims caused by operational issues, such as staff shortages, security delays or delays at check-in. It paid £50 as a goodwill payment in relation to its delay in dealing with the complaint. Mr and Mrs W didn't think that was fair and pursued the complaint.

Mr and Mrs W say their original flight was cancelled because of major disruption at the airport. They say flight cancellations were reported in the media following the breakdown of a plane on the runway. Mr and Mrs W say it's reasonable for them to assume the policy would cover the circumstances that arose here. They want Admiral to settle the claim.

One of our Investigators looked at what had happened. He said Admiral had declined the claim fairly, in accordance with the policy terms. The Investigator thought the compensation of £50 Admiral had paid in relation to delay in dealing with the complaint was fair and reasonable.

Mr and Mrs W didn't agree with the Investigator. They said they had a reasonable expectation the policy would cover something as basic and fundamental as the cancellation of a flight. Mr and Mrs W dispute the reason the airline gave for the cancellation of their flight. They say they were told at the time the cancellation was due to a broken down plane on the runway and media reports support that. Mr and Mrs W want Admiral to pay the costs incurred as a result of the cancellation of the flight.

The Investigator considered what Mr and Mrs W said but didn't change his view. They asked that an Ombudsman consider the complaint, so it was passed to me to decide.

## My provisional decision

On 11 September 2025, I sent both parties my provisional decision in this case in which I indicated I intended to uphold the complaint. I said:

*'Admiral has paid Mr and Mrs W compensation in relation to its delay in dealing with their complaint. Our service can only consider complaints about financial services. So, I don't comment on how Admiral handled the complaint because it isn't a regulated activity. I can consider how Admiral handled the 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 Admiral has a responsibility to handle claims promptly and fairly and must act to deliver good outcomes for retail consumers. I intend to 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.*
- *The onus is on the consumer to show the claim falls under one of the agreed areas of cover within the policy. If the event is covered in principle but is declined on the basis of an exclusion set out in the policy, the onus shifts to the insurer to show how that exclusion applies.*
- *Here, the original outbound flight was cancelled and Mr and Mrs W, Mr W1 and Miss W couldn't arrange a replacement flight until more than 24 hours later. So, I think the relevant part of the policy in this case says as follows:*

**'Section 4: Missed departure, travel delay or abandoned trip**

*[...]*

**3. Abandoned trip – outbound journey leaving the UK**

*This section provides cover if you decide to abandon your trip because the international departure of your pre-booked aircraft [...] is delayed by more than 24 hours, or is cancelled with no alternative transport available within 24 hours of the scheduled departure, because of strike, industrial action, severe weather conditions or a **mechanical breakdown**.*

*[...]*

**What is covered**

*[...]*

*If **you** decide to travel to your intended destination using alternative transport, **we** will pay:*

- *The reasonable cost of additional transport and accommodation needed to get **you** there, and the costs of any unused accommodation; or*
- *The cost to abandon your **trip**; whichever is less.'*

*The policy defines '**mechanical breakdown**' as: 'The malfunction or failure of moving or electronic parts in a motorized vehicle or aircraft [...]'*

- *There are exclusions in this part of the policy for claims for delay of less than 24 hours, delayed departure caused by operational issues, such as staff shortages, security delays or delays at check-in and claims for refreshments and meals. The exclusions also say Admiral will not pay a claim for both abandoning a trip and delayed departure of the same trip.*

- *The general conditions of the policy provide it's for the insured to provide, at their own expense, all the information Admiral needs or asks for. So, in this case it's for Mr and Mrs W to provide information from the airline about the reason for the cancellation of the flight. They have provided an e-mail from the airline to Mrs W which says: 'The reason for the cancellation was Flight crew issue (sic).'*
- *In the particular circumstances of this case, I don't think it was fair or reasonable for Admiral to conclude the cancellation of the flight was caused by operational issues, such as staff shortages, which is excluded from the policy. I'll explain why.*
- *Mr and Mrs W say on the day of the cancelled flight, they were told by the airline that there was major disruption and flight cancellations due to a broken down plane on the runway. They have provided news reports from a reputable source, one of which says a co-pilot of an earlier flight made a mistake which led to the brakes catching fire. That led to the closure of the runway for a period of time and 23 cancelled departures.*
- *On balance, I think what happened here fits the policy's description of a mechanical breakdown of a plane ('The malfunction or failure of moving or electronic parts in a motorized vehicle or aircraft [...]'). There's no requirement in the policy the mechanical breakdown must be in the plane on which the insured were intending to fly. Other sections of the policy do make that clear.*
- *I think the '...Flight crew issue' referred to by the airline, whilst somewhat vague, is consistent with the co-pilot's error referred to in the media. I've seen no evidence the flight was cancelled because of operational issues, such as staff shortages. So, I don't think it was fair and reasonable for Admiral to decline the claim on the basis of the exclusion to which it referred.*
- *In order to put things right, I think Admiral should deal with the claim in accordance with the provisions I've set out above and the remaining terms of the policy. I think Mr and Mrs W, Mr W1 and Miss W have suffered distress and inconvenience as a result of Admiral's decision to decline their claim. I think Admiral should pay compensation of £200 in relation to that. In reaching that view, I've considered the nature, extent and duration of the distress and inconvenience caused by Admiral in this case. That amount is in addition to the goodwill payment of £50 Admiral has paid in relation to its delay in dealing with the complaint.'*

## **Responses to my provisional decision**

Mr and Mrs W responded to say they accepted my provisional decision and had no further comments. Admiral didn't respond.

## **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 looked again at the circumstances of this complaint. Neither party has provided any fresh information or evidence in response to my provisional decision. I therefore find no basis on which to depart from my earlier conclusions. For the reasons I've explained, I don't think Admiral acted fairly or reasonably in declining Mr and Mrs W, Mr W1 and Miss W's claim.

## **Putting things right**

In order to put things right, I direct Admiral to:

- Deal with the claim in accordance with the provisions I've set out above and the remaining terms of the policy.
- Pay compensation of £200 in relation to distress and inconvenience.

## **My final decision**

My final decision is that I uphold this complaint. Admiral Insurance (Gibraltar) Limited should now take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W, Mr W1 and Miss W to accept or reject my decision before 27 October 2025.

Louise Povey  
**Ombudsman**