

The complaint

Mrs A is unhappy that Red Sands Insurance Company (Europe) Limited (Red Sands) declined her travel insurance claim.

Any reference here to Red Sands includes all its agents.

What happened

Mrs A took out an annual multi-trip insurance policy starting from 3 January 2024 to 2 January 2025. Red Sands is the policy underwriter.

Mrs A booked a return flight on 11 September 2024. She was due to travel on 6 December 2024 and return on 15 January 2025.

Mrs A's mother sadly passed away on 23 October 2024. So, Mrs A took a different flight on in October 2024 to make any required arrangements. And she therefore didn't travel on the pre-booked flights.

So, Mrs A submitted a claim to Red Sands for the cost of cancelling her flights. Red Sands declined the claim because Mrs A's trip was booked for longer than the maximum 31-day duration allowed under her policy. Red Sands also paid Mrs A £50 for the time it took in assessing her claim.

Unhappy Mrs A brought her complaint to this service. Our investigator upheld the complaint. He said Red Sands should re-assess the claim for the outbound flight cost as this fell within the 31-day trip booked. This is because Mrs A had cover in place for the outbound flight and she didn't breach any policy terms and conditions for this flight.

Red Sands didn't agree with the investigator's assessment. It asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. I've taken those rules into account, amongst other relevant considerations, such as industry principles and rules, the policy terms and the available evidence, to decide whether I think Red Sands handled Mrs A's claim fairly.

There's no dispute that the trip was booked for longer than the 31-day maximum trip duration on the policy.

Red Sands disputes that the cancellation cost of the flights is covered. It says the trip duration exceeded 31 days and so the claim isn't covered, in whole or in part.

The relevant policy terms and conditions state under the definitions section on page 3:

The total duration of any one trip is limited to a maximum of 31 days and any trip exceeding this duration will not be covered in whole or in part (unless the required premium has been paid to increase the duration and this is confirmed in writing).

And on page 9, under the section 'General conditions and exclusions', it states:

'Applying to all sections of your policy

You are not covered under any section, unless specified, for any of the following circumstances:

1. Any trip under an annual multi-trip policy that exceeds 31 days duration. This includes not insuring you for part of a trip which is longer than 31 days.'

It's clear from the above, that there is no cover for any trip under an annual multi-trip policy that exceeds 31 days, unless a trip extension upgrade was purchased.

The Insurance Product Information Document (IPID) is also clear that there is no cover for trips booked for more than a 31-day duration.

Mrs A didn't purchase the trip extension upgrade. So, based on a strict interpretation of the policy terms, there is no cover for any events that occurred during this trip. So, I can see why Red Sands said as Mrs A booked the trip for 42 days, there is no cover for the cost of cancelling her flights.

However, I am permitted to consider the complaint based on a fair and reasonable application. I've carefully considered the situation, and I don't think it would be fair and reasonable to decline this claim on that basis of the trip duration limit on the policy. I'll explain why.

Mrs A informed Red Sands that her mother had passed away on 23 October 2024. She wasn't able to travel on the dates she had already booked which was 6 December 2024 for the outbound journey and 15 January 2025 for the return journey. Mrs A had cover on the policy until 2 January 2025. So, she made a claim for the cancellation cost of the flights, which Red Sands declined.

However, the outbound journey on 6 December 2024 was within the 31 days allowed on the policy. I've considered whether there is cover on the policy based on a fair and reasonable basis. I'm not persuaded that Red Sands was disadvantaged by the fact that the original booked trip was for longer than 31 days and I understand Mrs A didn't purchase an upgrade. But the outbound flight occurred within the timeframe that it would normally cover (from 3 January 2024 to 2 January 2025). And I don't think it would be reasonable to exclude the claim based on a breach of such a policy condition when the cause of the claim isn't connected to that policy condition – in this case the maximum trip duration.

I don't think therefore it's fair and reasonable for Red Sands to decline the claim in full because the outbound flight was covered under the policy as this was within the 31-day trip duration. The breach in the policy terms and conditions has occurred in relation to the return flight because it fell outside of the 31-days and which I don't think is fair to be covered.

For the reasons I've provided above, I think Mrs A's claim has been declined unfairly and unreasonably. I think Red Sands should therefore re-assess Mrs A's claim for the cost of the outbound flight as this was due to take place within the 31-day trip duration. If Red Sands

accepts Mrs A's claim, it should settle the claim and add interest as detailed in the 'putting things right' section below.

In terms of the £50 compensation Red Sands paid to Mrs A, I think this offer is fair and reasonable based on the circumstances of the complaint.

Putting things right

I direct Red Sands to re-assess Mrs A's claim for the outbound flight cancellation cost in line with the remaining terms and conditions of her travel policy.

If Red Sands accepts the claim, it should calculate the settlement amount one month from the date of the claim to the date of settlement and add 8% simple interest per annum.

My final decision

For the reasons given above, I uphold Mrs A's complaint about Red Sands Insurance Company (Europe) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 10 November 2025.

Nimisha Radia
Ombudsman