

The complaint

Miss H and Mr R complain that Admiral Insurance (Gibraltar) Limited declined their travel insurance claim and about its service.

As Mr R has taken the lead on the claim and complaint I'll refer to Mr R to include both complainants unless the facts require otherwise.

What happened

Miss H and Mr R have travel insurance insured by Admiral. They were due to go on holiday when Mr R's passport was damaged by the scanner at the UK airport just before their outbound flight. He says the airline staff saw the tear on the passport and contacted immigration in the destination country who said they weren't happy for travel to take place with the damage on the passport. The airline staff wouldn't let Mr R board the plane and the trip didn't happen. He claimed on the policy for the costs of the unused holiday.

Admiral declined the claim. It said the circumstances of the claim weren't an insured event under the policy. Also, the policy said it didn't cover events that aren't specifically listed as covered.

Miss H and Mr R complained to us that Admiral's decision was unfair. In summary Mr R said:

- Under the Consumer Rights Act 2015 and the Financial Conduct Authority's (FCA) regulatory requirements insurers must show exclusions and limitations clearly and prominently. Admiral didn't clearly highlight that accidental damage to a passport isn't covered in his situation. Such ambiguity in the policy wording must be read in the consumer's favour.
- He had a reasonable expectation of cover that key travel documents are protected against unforeseen events particularly under his 'Platinum' level policy which was Admiral's highest level of cover.
- Admiral using a broad 'catch all' exclusion that the events weren't specified as covered creates a significant imbalance in the insurance contract, to the consumer's detriment. This Service often rules against insurers who rely on vague or catch all exclusions instead of addressing reasonable consumer expectations.
- A passport made unusable by unexpected physical damage has the same consequence as a lost or stolen passport - the passport lost its function and he was unable to travel. This Service should look at the substance of the event, his inability to travel due to an unusable passport, rather than a narrow technical reading of the policy.
- He wants Admiral to pay the lost costs he and Miss H incurred, about £5,000. If not then Admiral should pay him a 'goodwill settlement' to reflect that the Platinum level cover didn't give the comprehensive protection he reasonably expected.

Our Investigator said Admiral had reasonably declined the claim.

Mr R disagrees and wants an Ombudsman's decision. He added that Admiral did cover matters not specifically mentioned in the policy as it would cover costs for different medical matters, even though each medical condition it covered wasn't listed in the policy. He said Admiral unreasonably selected not to cover his claim.

Our Investigator explained why he hadn't changed his mind. As there's no agreement between the parties the complaint has been referred to me for a decision.

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 considered all the points Mr R has made. I won't address all his points in my findings because I'll focus on the reasons why I've made my decision and the key points which I think are relevant to the outcome of this complaint.

Mr R considers that Admiral may have acted contrary to the FCA's principles and regulatory requirements and the Consumer Rights Act 2015. It's for the court to decide if a business has acted contrary to the law. But in considering what's fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time.

The relevant regulator, the FCA's, rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I'm sorry to disappoint Miss H and Mr R but I'm satisfied that Admiral reasonably declined the claim. I'll explain why.

Unfortunately Miss H and Mr R weren't able to go on holiday because his passport was damaged by the airport's scanner. The cause of the claim isn't covered by any of the insured events set out in the policy terms. Admiral correctly said the cause of the claim wasn't covered by the policy. It correctly declined the claim in line with the policy terms.

I've also considered what's fair and reasonable in all the circumstances of the complaint.

The cause of the claim was unforeseen, out of Miss H and Mr R's control and caused them significant financial loss and disappointment. But that doesn't mean Admiral has to cover or pay the claim. Even though the policy they bought was Admiral's highest level of cover for the policy, travel insurance doesn't cover every scenario a consumer will face. It's for insurers to decide what risks they want to insure, and the risks Admiral wants to insure are clearly set out in this policy. The risks Admiral wants to insure don't include the circumstances of Miss H and Mr R's claim. It's not practical nor reasonable for an insurer to list all the circumstances which a policy won't cover.

Admiral referred to the following exclusion to emphasise the claim circumstances weren't covered by the policy:

'Uninsured events

Events that are not specified as covered within this policy booklet'.

Mr R says the above is a 'catch all' exclusion that Admiral has used unfairly to decline his claim. But I think Admiral reasonably referred to that exclusion to emphasise the claim isn't covered by an insured event.

Mr R says Admiral covers costs for different medical matters even though the policy doesn't specifically list each medical condition it will cover, so its decision about cover is selective and unfair for his claim. I'm not persuaded by that argument and the two situations aren't comparable. The policy sets out that Admiral will cover emergency medical costs for medical conditions, subject to the policy terms, and medical condition is defined by the policy. Whereas the circumstances of Mr R's claim aren't covered by the policy in any way.

Mr R has suggested the policy wording is ambiguous about his claim not being covered. Where I consider policy wording is ambiguous I generally consider it fair that the wording is read in the consumer's favour. But I'm satisfied the policy wording isn't ambiguous about Mr R's claim not being an insured event and not being covered by the policy.

It would be very unusual for a travel insurance policy to cover the circumstances of this claim. I wouldn't reasonably expect Admiral to specifically set out in the policy, or highlight, that the circumstances of the claim aren't covered.

Mr R says the effect of his passport being damaged is the same as it being lost or stolen, he couldn't use it to travel so I should consider his claim on that basis. Even if I agreed that was fair there's no policy insured event that covers the costs he's claimed for. The 'Cancelling or cutting short your trip' policy section covers cancellation costs if a policyholder's passport is '*stolen in a burglary at your home in the seven days before your trip is due to start and you cannot get a replacement in time*', and I can't reasonably say Mr R's circumstances are comparable to that situation. There is cover if Mr R's passport is '*accidentally damaged, lost or stolen during your trip*' under the 'Money, passports and travel Documents' policy section but that's for: the reasonable costs of additional travel and accommodation needed to get emergency travel documents while overseas; replacing travel documents; and additional accommodation and travel costs needed for him to return to the UK. Those aren't the costs Mr R is claiming.

Overall there's no basis on which I can reasonably say that Admiral should cover the claim.

I've seen no evidence to support Mr R's suggestion that Admiral acted unfairly or unreasonably or contrary to its regulatory requirements. In my view Admiral didn't act in breach of the Consumer Rights Act 2015 requirements. I'm satisfied Admiral reasonably declined the claim.

It's for Admiral to decide if it wants to make a 'goodwill payment' - that is make a payment when it doesn't need to do so - to Miss H and Mr R. There's no basis for me to say it has to make a 'goodwill payment'.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H and Mr R to accept or reject my decision before 3 March 2026.

Nicola Sisk
Ombudsman