

The complaint

Ms G and Mr P have complained that Admiral Insurance (Gibraltar) Limited declined a claim they made on a travel insurance policy, cancelled the policy and retained the premium.

As it is Mr P leading on the complaint, for ease, I will mostly just be referring to him in this decision.

What happened

Mr P was due to travel abroad on 26 December 2024. He purchased the policy on 22 December 2024 whilst sat in A&E waiting to be seen by a doctor. He was subsequently admitted to hospital and so had to cancel the trip. He therefore made a claim on the policy for unrecoverable costs.

Admiral declined the claim on the basis that the reason for the claim had been foreseeable at the time Mr P had purchased the policy.

Our investigator thought that Admiral had acted reasonably in declining the claim, in line with the policy terms and conditions. Mr P disagrees and so the complaint has been passed 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 carefully considered the obligations placed on Admiral by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Admiral to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren'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. The test then is whether the claim falls under one of the agreed areas of cover within the policy. It's also a fundamental principle of insurance that it provides cover for unforeseen events.

When Mr P purchased the policy online via a price comparison website, he would have seen the following statement:

'Before you buy your policy

You will not be covered for known events that might result in you cancelling or cutting short your trip.'

Looking at the policy terms, they state:

'Important information

Cancellation cover

This policy covers you if you have to cancel your trip before it starts.

Annual multi-trip policies – Cancellation cover starts from the time you book your trip or the first day of cover (as shown in the policy schedule), whichever is later. See section 2 for further information.'

And:

'General Exclusions

The following general exclusions apply to all sections of the policy unless the relevant clause says otherwise. If a general exclusion conflicts with any term in this policy booklet, the general exclusion takes priority.

We will not pay any claim which arises from or is directly or indirectly related to any of the following.

(.....)

14. Anticipated events

An anticipated event which affects your trip, and which you:

- knew would happen; or*
- could reasonably have expected to happen;*

when you took out or renewed your policy, or booked your trip, whichever is later.'

And:

'General Conditions

10. Fraud

If you or anyone acting for you deliberately or recklessly provides false or misleading information that would affect our decision to provide all or any cover, your policy and all other cover you have through us will be cancelled or voided (considered to have never existed). We will take steps to recover any costs we have paid (or committed to pay) in connection with your cover and will not refund any premium.

We will not pay a claim if:

** it is in any way fraudulent, false or exaggerated; or*

** we have been given a false statement, or any documents which are false, stolen or misleading.*

Your policy and all other cover you have through us will be cancelled or voided. We will take steps to recover any costs that we have paid (or committed to pay) in connection with your cover and will not return any premium.'

Mr P had first attended A&E on 5 December 2024 with abdominal pain. He then attended there again on 22 December 2024, presenting with a two-week history of severe abdominal pain and cramping.

As Mr P purchased the policy three days before his trip was due to start (because he had actually booked a hotel at the airport for the night of 25 December 2024), Admiral concluded that he likely knew when buying the policy that he might have cause to cancel the trip and make a claim.

Mr P says that is not the case – at the time of buying the policy he had not yet seen a doctor or received a diagnosis. As such, he could not have anticipated the seriousness of his condition or that he would need to be admitted to hospital. He says he assumed he'd be going into work the next day as normal.

There's no suggestion Mr P would have known, or should have been able to self-diagnose, the seriousness of his health condition based on his symptoms. However, that is not the issue here. The matter at hand is whether, having felt unwell for a couple of weeks, he could have anticipated that ill-health might prevent him from travelling. The crux of the matter is the timing of the purchase and why he took out the policy when he did.

The timeline of events is that Mr P arrived at A&E at 7.39pm on 22 December 2024 and then purchased the policy at 8.31pm on the same evening.

Given that he was in obvious pain and discomfort, whilst nevertheless thinking he'd be well enough to go into work the next day, it's perhaps surprising that buying insurance was something he felt the need to do at that precise moment in time.

I've thought very carefully about what Mr P has said. However, the question for me is whether it was reasonable for Admiral to conclude that he could have suspected that he might need to cancel the trip and make a claim.

On balance, I consider it was fair for Admiral to look at the information provided to conclude that Mr P could reasonably have foreseen that he might need to make a claim. So, overall, I consider it was also fair and reasonable for it to decline the claim, cancel the policy and retain the premiums.

Our investigator has further highlighted that the event that caused the cancellation of the trip (Mr P's illness) occurred prior to the period of cover anyway as Mr P arranged for the policy to begin on 26 December 2025. Therefore, that would be a further reason for Admiral to reasonably decline the claim.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G and Mr P to accept or reject my decision before 7 January 2026.

Carole Clark
Ombudsman