

The complaint

Mrs A and Mr B are unhappy that Zurich Insurance Company Ltd have declined a claim they made on their travel insurance policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

The relevant rules and industry guidelines say that Zurich have a responsibility to handle claims promptly and fairly. And they shouldn't decline a claim unreasonably.

I'm sorry to read of the circumstances which led Mrs A and Mr B to claim. I have a lot of empathy with the circumstances and that they have incurred a financial loss as a result of cancelling their holiday. However, I think the £100 compensation offered is fair and reasonable in the circumstances. I say that because:

- Mrs A and Mr B had a policy which covered 'Region 1'. This meant it covered trips within the UK. They claimed for cancelling a holiday which was outside the UK. Zurich has therefore fairly applied the policy terms when declining the claim.
- I've looked at the information Zurich has provided from the sales process as the policy was taken out online. There were four options to select different levels of cover, depending on where Mrs A and Mr B were travelling to. I think it's most likely that Mrs A and Mr B selected 'United Kingdom' rather than Europe or the Worldwide options when taking out the policy. That's consistent with the information in the policy documentation. So, I don't think it's unreasonable for Zurich to assess the claim on that basis. As our investigator has explained any complaint about the sales process itself isn't something Zurich is responsible for.
- Information about the scope of cover for 'Region 1' was included on the policy documentation, including the schedule and the policy terms. The schedule says 'Covers trips to, from, and within the United Kingdom. And the wider policy terms set this out in greater detail. Therefore, I think it was made sufficiently clear to Mrs A and Mr B that the policy only covered trips within the UK. It was for Mrs A and Mr B to check the terms and ensure that it met their needs. I appreciate they took other trips within the policy year, but it's for them to ensure they have the appropriate cover before each trip.
- I don't think the policy wording is ambiguous to the extent Mrs A and Mr B have suggested. But in any event, in the circumstances of this case, I'm not persuaded it's fair and reasonable to direct Zurich to step outside the policy terms and cover the

claim for cancellation. Mrs A and Mr B needed worldwide cover to include trips to America, Mexico, Canada and the Caribbean. Based on the evidence that is available to me I think it's most likely that's because they selected the wrong policy in error during the application process. So, even if I accepted their argument that the terms were ambiguous, I don't think it's fair and reasonable to direct Zurich to cover a claim which rectifies a mistake they weren't responsible for.

- Zurich offered £100 compensation for delays in the claims team responding to Mrs A and Mr B. I think that fairly reflects the impact of not receiving a response as quickly as they should have done. But, ultimately, the claim was reasonably declined and so I think Mrs A and Mr B were always going to be very disappointed by this news. So, I don't think further compensation is due in the circumstances of this case.

My final decision

Zurich Insurance Company Ltd has already made an offer to pay £100 to Mrs A and Mr B to settle the complaint and I think that's fair in all the circumstances.

My final decision is that Zurich Insurance Company Ltd should pay £100 to Mrs A and Mr B if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr B to accept or reject my decision before 16 January 2026.

Anna Wilshaw
Ombudsman