

The complaint

Mr A complains that Chubb European Group SE declined his travel insurance claim.

What happened

Mr A has a travel insurance policy through his banking service, which is insured by Chubb. On a business class flight his seat's electronic recline and adjustment controls were broken and he was unable to recline or rest properly on the flight. Mr A says the service he received didn't meet the standard expected from a business class experience. He claimed on the policy for the cost of his flight.

Chubb declined the claim. It said the policy didn't cover the circumstances of the claim. Its final response letter to Mr A listed the different sections of insured cover under the policy and said *'It is these losses that are considered to be trip disruption and, having thoroughly reviewed each section of your policy, I have determined that your policy does not extend to provide cover for failure of a booked service such as a broken seat'*. Chubb suggested Mr A complain to the airline as he was unhappy with the airline's service.

Mr A complained to us. In summary he said:

- Chubb's decision was unfair as his claim relates to a clear failure in the service he paid for, not simply a 'trip disruption'. 'Trip disruption' isn't the correct category for Chubb to consider his claim under and it was unfair to rely on an exclusion for 'failure of a booked service' as that doesn't reflect fair treatment or his reasonable expectations.
- His travel insurance is sold as 'premium' cover and it advertises protection for situations where a customer suffers a financial loss due to failure of a service, and that was his claim.
- Chubb didn't consider the specific circumstances of his claim, which he listed.
- He wants a fair reassessment of the claim and compensation of the cost of the business class service he purchased compared to the service he received, which he said was in line with this Service's guidance on service failure and loss of benefit.

Our Investigator said Chubb had reasonably declined the claim. Mr A disagrees and wants an Ombudsman's decision. In brief he added:

- It was unfair for his premium travel insurance policy to provide no redress where the insured person suffers a 'clear and measurable loss in value during the insured journey'. That was contrary to a reasonable consumer's expectation and doesn't comply with the Financial Conduct Authority's (FCA) principle of treating customers fairly.
- The airline acknowledged the service failure but it offered a non-cash voucher of limited value which didn't reflect the additional amount he paid for the seat or the impact of the failure on him. Chubb still had an obligation to consider whether its policy met 'regulatory standards of fairness'.

Our Investigator didn't change her recommendation so the complaint has been referred to me to decide.

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 A 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.

The FCA rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I'm sorry to disappoint Mr A but I'm satisfied that Chubb reasonably declined the claim. I'll explain why.

Mr A has been clear that his business class seat not working as it should wasn't 'a minor inconvenience or partial service issue' for him, he says it's a 'total failure of the primary benefit distinguishing Business Class from lower cabins'.

But Chubb only needs to pay a claim for insured events that are set out in the policy terms. The problems with Mr A's plane seat and/or the airline failing to provide a working seat in line with the service he expected when paying for business class are not insured events under the policy.

Chubb's final response letter to Mr A wasn't saying it had assessed his claim under 'trip disruption' and Chubb wasn't saying it used a 'failure of a booked service' policy exclusion to decline the claim. Chubb was saying, in effect, that Mr A's claim wasn't for an insured event under the policy. I think Chubb could have set out the reason for its claim decline more clearly than it did, but it was correct to say the policy didn't cover the claim.

I'm satisfied that the circumstances of Mr A's claim aren't covered by the policy terms and Chubb 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, the business class seat not working properly, was out of Mr A's control and caused him inconvenience, discomfort and wasn't what he expected from a business class seat. But that doesn't mean Chubb has to cover or pay his claim. Even if his policy was advertised as 'premium' cover, 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 Chubb wants to insure are clearly set out in this policy. The risks Chubb wants to insure don't include the cause of Mr A's claim. In my experience no travel insurance policy would cover the circumstances of his claim.

Mr A says the policy terms failing to cover his claim doesn't meet his reasonable expectations. But the Insurance Product Information Document, which gives a summary of the main policy cover and exclusions, and the full policy document clearly show there are policy terms which set out the insured events he is covered for if he has loss or damage. There's no suggestion in those policy documents that the circumstances of Mr A's claim would be covered. I don't think his expectation that his claim would be covered was reasonable.

Mr A says he's complained to the airline and the voucher it's provided isn't enough. But that doesn't mean Chubb has to pay his claim. There's no policy cover for Mr A's claim and Chubb isn't responsible for the airline not providing the service Mr A expected.

Mr A mentioned he's seeking compensation which he believes is in line with this Service's guidance on service failure. This Service's guidance is that we consider whether compensation is appropriate when a policyholder's distress and inconvenience is caused by an insurer providing poor service. I'm satisfied that Chubb gave Mr A fair service and treated him fairly. Chubb doesn't need to pay him compensation.

I'm also satisfied that Chubb reasonably declined the claim and it doesn't need to reassess or pay the claim.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 April 2026.

Nicola Sisk
Ombudsman