

The complaint

Mrs T has complained that Zurich Insurance Company Ltd ('Zurich') declined her claim.

What happened

Mr and Mrs T had an annual multi trip travel insurance policy, underwritten by Zurich. In June 2025, Mrs T made a claim for medical expenses whilst on a cruise. Zurich declined the claim as it said cruise cover benefit hadn't been selected on the policy.

Mrs T complained and said that Zurich had paid two previous claims for cruises which set the expectation that she was covered. Zurich responded to apologise as it had paid those claims in error and paid £350 compensation for its service issues. Unhappy with this, Mrs T referred her complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Zurich had unfairly declined the claim. And she found that the £350 compensation paid was appropriate and fair in all the circumstances.

Mrs T disagreed and asked for an Ombudsman's decision. And so the case has 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.

The background to this matter is well known to both parties. So I won't repeat the facts here again. Instead I will focus on what I consider to be key to my conclusions.

The starting point is the policy terms and conditions and documents which make up the contract of insurance between Mr and Mrs T and Zurich.

The policy schedule lists key information including the policy date, type, the geographical limit and Mr and Mrs T's personal details. On page one, at the very top of the list it says: "*Cruise cover: No*".

On page 14, under 'Cruises' the terms and conditions say: "*This policy only covers Cruise trips if you have paid the appropriate additional Cruise premium.*"

On page 24, under 'General Exclusions from your Policy', the terms and conditions say:
"You are not covered for any claim resulting from or relating to... 21) You participating in a cruise, unless we provide cover as shown on your policy schedule and you have paid the appropriate premium..."

As Mrs T's claim related to a cruise, and she hadn't paid for cruise cover, I don't think it was unreasonable for Zurich to decline the claim in line with its terms and conditions which are clear about any claims for cruise trips.

Mrs T has said that she thought she had bought cruise cover and that she had been paid out for two other claims under the same policy and they were also cruise trips. Zurich said it had paid those claims in error and apologised. It also said it wouldn't look to recover those costs from Mrs T. Mrs T has said that had Zurich not made the mistake and paid those claims in error, she would have been alerted that she didn't have cruise cover and would have then added it to her policy. This would have meant that her third and most expensive claim would have been covered and she has therefore suffered a financial loss.

I have carefully considered what Mrs T has said but I don't think it's Zurich's responsibility to ensure Mrs T has the appropriate cover. Zurich would not know in advance that Mrs T was planning to only book cruise trips. And although it made an error and paid previous claims, it is Mr and Mrs T's responsibility to check that they have the appropriate cover each time they take a trip. The schedule is clear that cruise cover is not added and the policy terms are clear that no claims will be paid unless the appropriate premium for cruise cover has been added.

Compensation

Mrs T was also unhappy with service issues and specifically that Zurich didn't call her landline, the grammar within emails and not replying within 5 working days. Zurich accepted this caused stress and inconvenience and apologised for incorrect information. It paid £350 compensation by way of an apology.

Our award bands for compensation for distress and inconvenience can be found on our website. An award of £350 is appropriate where the mistake has caused considerable distress, upset and worry over many weeks or months or if a mistake has a serious short-term impact. As the impact wasn't long lasting, Zurich apologised and didn't ask for the incorrectly paid claim settlements to be returned, I think an award of £350 compensation is fair and reasonable in all the circumstances.

I appreciate Mr and Mrs T will be disappointed with my decision but I don't think Zurich unfairly declined the claim. So I can't fairly ask it to do anything more.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 10 April 2026.

Shamaila Hussain
Ombudsman