

The complaint

Mr and Mrs R are unhappy with the decisions taken by Astrenska Insurance Limited trading as Collinson Insurance after Mr R contacted it to declare a change in health after their annual, multi-trip, travel insurance policy had started.

All reference to Astrenska includes agents acting on its behalf.

What happened

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

That includes all points made by the parties along with all other evidence. I won't respond to each of these. I hope they understand that no discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

The rules that govern the Financial Ombudsman Service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every point to fulfil my statutory remit.

In considering what is fair and reasonable in all the circumstances of the case, I've also taken into account all relevant law and regulations, regulator's rules, guidance and standards, codes of practice and good industry practice at the relevant time.

Change in health

Towards the end of the period of insurance, and in line with the policy terms, Mr R contacted Astrenska to declare a change in health.

The policy terms say:

We reserve the right to alter the terms of this insurance based on your health changing mid-term. Following your medical screening we will tell you either:

- that you can continue to be covered at no additional cost; or
- to continue to be covered you will need to pay an additional premium; or
- we cannot continue to cover you...

After Mr R answered questions about his change in health, Astrenska said it couldn't continue providing cover under the policy. It said it could only provide a single-trip travel insurance policy to Mr and Mrs R and not an annual, multi-trip policy.

From the evidence provided, I'm persuaded that was the case. And that the policy wouldn't have been offered for a higher premium. Nor could it have continued with an exclusion relating to the condition that Mr R had declared as a change in health.

Further, as Mr R was named as the policyholder - with he and Mrs R named as insured persons (and the policy group type stipulated to be 'couple' on the policy certificate) - there's no compelling evidence to doubt what Astrenska says about it being unable to remove Mr R from the policy, so that Mrs R could continue to benefit from cover. I accept what it says about that.

The policy also says:

If you have already purchased or renewed your policy and you have contacted us to advise a change in your health and...we can no longer provide cover, you may either:

- submit a claim under cancellation of your trip, for consideration; or
- ask us to cancel your policy so you can arrange cover elsewhere. If you cancel your policy, we will refund the unused cover, if you have not made or are planning to make a claim.

Mr and Mrs R had pre-booked holidays which were due to take place within the remainder of the period of insurance. They didn't want to cancel their trips.

Astrenska offered to cancel the policy and provide a proportionate refund of the premium paid, in line with the policy terms. It has confirmed that no proportionate refund was provided as the policy lapsed and Mr and Mrs R didn't confirm they wanted the policy cancelled.

Mr and Mrs R found alternative cover elsewhere. In such circumstances, our service generally considers it would be fair and reasonable for the insurer to cover the cost of the new insurance cover, up to the value of any cancellation claim that could've been made. That's because the cost of alternative travel insurance (if available) is often a lot less than the cost the insurer would otherwise have to pay if the holiday was cancelled.

Mr and Mrs R ended up taking a single-trip policy (also underwritten by Astrenska) to cover them both for a one-week holiday they'd booked September 2025. This policy included optional cruise cover. But the annual multi-trip policy Mr and Mrs R originally benefitted from didn't include optional cruise cover. The Information Product Information Document (which summarises the main cover and exclusions) and policy terms say that cruise cover optional extras are a mandatory requirement if the trip involves a cruise.

As such, I'm not persuaded that had Mr and Mrs R cancelled the trip booked for September 2025, they would've been able to make a claim under the policy. In those circumstances, I don't think it would be fair and reasonable for Astrenska to reimburse the premium they paid for the single trip policy to cover this holiday in the sum of around £472.

However, Mrs R also ended up buying a single trip insurance policy for her benefit only to cover a one-week holiday she'd pre-booked at which cost around £166. This was also underwritten by Astrenska. I'm satisfied that it would be fair and reasonable for Astrenska to cover the cost of this policy in the circumstances of this case.

Astrenska has said that Mr and Mrs R could've made a claim for the cost of the single-trip policies under the annual, multi-trip travel insurance policy they originally had in place and didn't. And it also offered to see if they could offer any single-trip policies to them at the time.

However, at this time, Mr and Mrs R were contesting whether Astrenska's original decision to not continue to provide cover under the annual, multi-trip policy was fair. In the circumstances of this case, I'm persuaded that it was fair and reasonable to expect them to search for a policy that suited their requirements.

Putting things right

I direct Astrenska to:

- A. refund the cost of the single trip travel insurance policy taken out to cover Mrs R's single trip travel insurance policy (covering her one-week holiday at the start of October 2025). That totals around £166.
- B. pay simple interest at a rate of 8% per year on the sum set out in A. above from the date on which payment was made to the date of settlement. If Astrenska considers that it's required by HM Revenue & Customs to take off income tax from any interest paid, it should tell Mr and Mrs R how much it's taken off. And, if asked, it should also give them a certificate showing this. That way they can reclaim the tax from HM Revenue & Customs, if appropriate.

My final decision

I partially uphold this complaint and direct Astrenska Insurance Limited trading as Collinson Insurance to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs R to accept or reject my decision before 15 May 2026.

David Curtis-Johnson
Ombudsman