

complaint

Mr H and Mrs T complain about the way PTI Insurance Company Limited has dealt with a claim on their travel insurance policy.

background

Mr H and Mrs T were travelling abroad. They planned to take a number of train journeys through various countries to reach their ultimate destination and then to return in a similar way. During their trip one of the connecting trains they were due to take was cancelled due to a strike. So, they went to another nearby city to try to continue their journey with a different train company. But they weren't able to get another train until the next day and they had to spend the night in a hotel.

The train company was still on strike when they were returning home. So they also had to buy new tickets with a different train company to allow them to continue their return journey. Mr H and Mrs T made a claim on their travel insurance policy for the cost of the new train tickets and their overnight hotel stay.

PTI didn't pay Mr H and Mrs T's claim. It explained that the Missed Departure section of the policy says they're covered up to the specified amount for necessary accommodation and travelling expenses incurred in reaching their booked destination if the public transport being used is delayed resulting in them arriving at their departure point too late to commence their booked journey from or to their country of residence. In this case Mr H and Mrs T had departed from the UK on time. They'd already left the UK when their train was delayed abroad. So, this wouldn't be covered under Missed Departure section of the policy.

But PTI has accepted it should've considered a claim under the Travel Delay section of the policy. This provides a benefit of £20 per person for each 12 hours of delay. It asked Mr H and Mrs T to confirm how long they were delayed for and to provide copies of their new tickets.

Mr H and Mrs T don't agree. They say they aren't being treated fairly.

Our adjudicator recommended that the complaint should be upheld. He considered that:

- PTI's decision to only provide cover under Missed Departure for the first leg of each journey is a significant exclusion of cover. So, it should be made clear in the policy summary and must be brought to the consumer's attention.
- In this case the policy summary document didn't mention any restrictions on the Missed Departure section. As a result PTI can't rely on this exclusion and it should pay Mr H and Mrs T's claim under Missed Departure plus interest.
- PTI's offer to consider a claim under the Travel Delay section of the policy was fair.

PTI disagrees. It says that it wasn't possible to list every feature of a policy in the summary. And it didn't think Missed Departure was a significant policy section. It said that even if it accepted Mr H and Mrs T's costs were covered, they would need to be assessed as two separate claims. One claim will be for the outbound missed departure and a second one will be for the inbound missed departure. PTI's confirmed that it's still prepared to consider a claim for Travel Delay

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I think PTI's offer to consider a claim under Travel Delay section of the policy is reasonable. And I don't think its request for information to allow it to consider the claim is unreasonable or unfair.

I've looked at the policy and according to its terms, Mr H and Mrs T are only covered under Missed Departure if they arrive too late to leave their booked journey from their country of residence. But I think that providing no cover for missed connections is a significant feature of the policy which should be brought to a consumer's attention in the policy summary or key facts document. The policy summary, which includes some important features of cover, doesn't say that missed connections aren't covered under the Missed Departure section of the policy.

As Mr H and Mrs T's outbound and return itineraries included a number of train journeys, I think the restriction was likely to have been very relevant and important to them. And I think that if the restriction had been brought to their attention, it's more likely than not given the nature of their journey that they wouldn't have taken out the PTI policy. I think they'd have most likely bought another policy that covered delay to all their train journeys.

PTI has said that if it was to accept that Mr H and Mrs T are covered under the policy, they would need to submit two claims. One for the delay they experienced on their outbound journey and one for the delay on the journey when returning home. As there were two separate delays I think that's fair.

PTI also says that the costs of Mr H and Mrs T's new train tickets fall under the policy excess. But they also intend to claim for some overnight hotel costs which may bring their claim in over the excess. If either of Mr H and Mrs T's claims falls under the policy excess, then I don't think it's for PTI to make any payment to them on that claim.

my final decision

My final decision is that I uphold this complaint. And I require PTI Insurance Company Limited to reassess and deal with each of Mr H and Mrs T's claims subject to any remaining limits, excesses, terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs T to accept or reject my decision before 13 November 2015.

Stephen Cooper
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