complaint

Mr L complains that Europaische Reiseversicherung AG has rejected his cancellation claim under his travel insurance policy.

background

In January 2015 Mr L booked a family holiday abroad. They were due to travel in May. Shortly before they were due to leave, Mr L's father very sadly passed away. Mr L cancelled their holiday and made a claim on his travel insurance policy with ERV for the accommodation costs he'd paid.

ERV contacted Mr L's father's doctor for information about Mr L's father's medical history. This informed it that Mr L's father had had a medical condition for some 17 years. This medical condition was a contributory cause of his death. The doctor said that Mr L's father had remained well until his unexpected death, and his condition was managed with medication. But ERV rejected Mr L's claim on the basis that his policy excludes cover for any pre-existing medical condition which relates to the health of any person upon whom the travel plans depend.

Our adjudicator considered that it was unreasonable for ERV to reject Mr L's claim in the circumstances and recommended that ERV pay his claim. ERV doesn't agree with the adjudicator's conclusion, so the matter's been passed to me to make a decision.

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'm going to uphold Mr L's complaint for the following reasons.

I accept that Mr L's policy says that the pre-existing medical condition of someone upon whose health a trip depends is relevant, but I don't think it's fair or reasonable to apply a strict interpretation to this and to disregard the circumstances.

Mr L's father had had the medical condition for some 17 years but it was stable and being managed by medication. His condition hadn't deteriorated. His doctor said that he'd remained well and his sudden death was unexpected. So I don't think that Mr L would've had any concerns that he might need to cancel or curtail their trip at the time he booked it or when their travel insurance was purchased.

In the circumstances of this complaint I think it's fair and reasonable to require ERV to pay Mr L's cancellation claim.

my final decision

My decision is that I uphold Mr L's complaint.

I require Europaische Reiseversicherung AG to pay Mr L's cancellation claim subject to any policy limits and to any excess.

Europaische Reiseversicherung AG must also pay interest on the amount it is required to pay at the simple rate of 8% a year from the date Mr L made his claim to the date it makes the payment*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 February 2016.

Nigel Bremner
ombudsman

* HM Revenue & Customs requires Europaische Reiseversicherung AG to take off tax from this interest. Europaische Reiseversicherung AG must give Mr L a certificate showing how much tax it's taken off if he asks for one.