

complaint

Mr and Mrs L's complaint concerns the decision of Europ Assistance Holding Irish Branch ("EA") to reject their cancellation claim, made under their travel insurance policy. This was on the grounds that Mrs L's father's death, which gave rise to the claim, arose from a pre-existing medical condition which was specifically excluded from cover.

background

In May, Mr and Mrs L purchased online a single trip travel insurance policy, underwritten by EA. They did this at the same time as booking their holiday. They were due to travel in August.

Sadly, in early August, Mrs L's father (who I shall call "Mr C") died. Mr and Mrs L cancelled their holiday and brought a claim under the policy.

EA rejected the claim. It said that Mr and Mrs L had been aware of the late Mr C's condition before booking the holiday. It relied on a policy term that excluded all claims related directly or indirectly to pre-existing medical conditions that the policyholder is aware of.

Mr and Mrs L complained to the Financial Ombudsman Service. Our adjudicator did not consider EA was entitled to rely on the exclusion clause as he did not consider it had been highlighted during the online sales process. He was also persuaded the medical evidence did not show a direct link between Mr C's previous condition and the cause of death. He recommended that EA deal with Mr and Mrs L's claim in full and that it pay £200 for the distress and inconvenience caused by rejecting the claim.

EA disagreed and maintained its stance. It considered that the online sales process required that Mr and Mrs L confirm that they have read the key facts and policy wording and, without doing so, the sales process could not be completed. It also considered that the medical evidence showed that there was a direct link between Mr C's pre-existing condition and the cause of death. It said this was shown by the death certificate.

Because there is no agreement, the matter has been referred to me for a decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I uphold this complaint for broadly the same reasons as the adjudicator.

The restriction on insurance cover in respect of non-travelling relatives is a significant limitation. I consider that EA should highlight it at the time of sale. By not highlighting the exclusion, EA denied Mr and Mrs L the opportunity of finding alternative insurance or of properly assessing their own financial risk in continuing with their holiday plans.

I accept that the exclusion was detailed within the policy terms and there was a link to this document in the online sales process. I also acknowledge that Mr and Mrs L could not proceed without them confirming that the terms had been read. However, I do not consider that asking Mr and Mrs L to tick a box was enough to bring the restriction to their attention. The sales process allowed for customers to proceed without the significant term being drawn to their attention.

The GP has noted that Mr C was on medication, but has also shown his condition was stable and that his terminal illness was unexpected at the time the holiday and policy were arranged. I am therefore satisfied that Mr and Mrs L would not have reasonably realised that Mr C's health would be likely to lead to a claim. They did not take an unreasonable risk in booking their holiday, and they did not transfer the risk to the insurer in an unfair way.

I do not consider EA is entitled to rely on the exclusion clause for pre-existing medical conditions for non-travelling members.

I am aware that Mr and Mrs L have been put to great inconvenience in pursuing this claim, which in turn will have caused them stress and upset. I consider that EA should compensate Mr and Mrs L for this foreseeable and avoidable distress and inconvenience.

my final decision

My final decision is that I uphold this complaint.

I direct Europ Assistance Holding Irish Branch to deal with Mr and Mrs L's claim in full, subject to the remaining policy terms. I also require EA to pay £200 to Mr and Mrs L in recognition of distress and inconvenience.

Timothy Bailey
ombudsman