

complaint

Mr L complains that UK General Insurance (Ireland) Limited ("UKI") won't pay a claim he made under his travel insurance policy when his car broke down on the way to the airport and he missed his flight.

background

Mr L and his family booked flights and accommodation for a short trip in October 2014. On the way to the airport, their car broke down and they missed their flight. They decided not to proceed with their trip, and returned home. They asked UKI to reimburse the cost of their flights under the "Missed Departure" section of their travel policy. They produced evidence that they had paid a total of 190.68 euros.

UKI wouldn't meet their claim. It said that the "Missed Departure" section of their policy only covered additional accommodation and travel expenses that they incurred after missing their plane if they decided to continue with their trip. In this case, they had decided not to continue their trip, so there were no expenses that fell within this section of the policy.

Our adjudicator didn't recommend that this complaint should be upheld. She said that the missed departure section of the policy made it clear, like the majority of travel insurance policies, that it would cover additional costs for accommodation and travel expenses to continue with the original trip. Mr L cancelled his trip, and his original expenses weren't covered. She said she had looked to see if he would be covered under the cancellation section of the policy, but missing a flight was not an insured risk under that section.

Mr L responded to say, in summary, that:

- it wasn't true that the policy made it clear that "it would cover additional costs for accommodation and travel expenses to continue with the original trip",
- it was not relevant what the majority of travel insurance policies did,
- there was a difference between the English version of the policy, which the adjudicator was quoting, and the version in the language he had seen when he decided to buy the insurance. In the English version, the policy paid for "reasonable additional accommodation and travel expenses". In the language version he had seen, the word "additional" only referred to "accommodation" and not to "travel expenses". So all the travel expenses he had incurred were covered by this section and should be reimbursed by UKI.

my provisional findings

I issued my provisional view to Mr L and to UKI on 16 November 2015. In it, I accepted that UKI intended that the "Missed Departure" section of its policy, in common with similar provisions in other travel policies, should only cover the cost of additional accommodation costs, and additional travel expenses, incurred by a policyholder in completing their trip after they missed their booked flight for a qualifying reason. Unfortunately, the section was poorly worded, and the way it was intended to be restricted was unclear.

First of all, I accepted that in the language version Mr L saw and relied on, the "Missing Departure" section had the following meaning:

“The insurance company shall pay the Insured an amount not exceeding that indicated in the text of the policy, as a refund for expenses incurred for additional accommodation and for travel costs, should the Insured arrive at their final point of departure from their country of origin, or their final point of departure for their return journey to their country of origin, too late to board the booked flight, this delay being due to.....the private motor vehicle in which they were travelling suffering from a mechanical breakdown or failure.”

So Mr L had a reasonable expectation that in the events which have happened, his expenses incurred for “travel costs” would be reimbursed, up to the policy limits. There was no limitation in this wording that only travel costs of continuing his trip were covered. In contrast, the wording of the next following section of the policy dealing with Travel Disruption said:

“If [the airline] or its authorised agent advise you that your first outward or final return flight is to be cancelled due to the flight being delayed for in excess of four hours, the underwriter will pay you, up to the amount shown on the Schedule of Benefits, for any travel expenses and subsequent accommodation expenses you incur in purchasing alternative transport, either by air, sea, rail or road, to complete this trip.”

This wording made it completely clear that for this section, it was only expenses incurred in completing the trip that were covered. The fact that similar wording was absent from the “Missed Departure” section was therefore all the more striking.

So I concluded that it was fair and reasonable that in the circumstances of this complaint, UKI should reimburse the “travel expenses” Mr L incurred in connection with his planned trip. I didn’t think it was reasonable to restrict this by reference to what other travel policies might say.

The policy didn’t define what was meant by “travel expenses”. I thought it was reasonable that he should be reimbursed the return airfares he and his family incurred, to the extent that these hadn’t already been reimbursed or waived, and subject to the other limits in the policy. UKI should also pay him £150 as compensation for the trouble and upset it had caused him.

I said that I intended to uphold this complaint, and to order U K General Insurance (Ireland) Limited to:

1. reimburse the return airfares Mr L and his family incurred, to the extent that these had not already been reimbursed or waived, and subject to the other limits in the policy, and
2. pay Mr L compensation of £150.

Mr L accepted my provisional view on the basis that reimbursement of “return airfares” meant both his outgoing and return flights. I asked the adjudicator to confirm to Mr L that this was my intention. UKI didn’t provide any response.

my findings

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

Neither Mr L nor UKI has provided any fresh information or evidence in response to my provisional decision. So I find no basis to depart from my earlier conclusions.

my final decision

My decision is that I uphold this complaint, and order U K General Insurance (Ireland) Limited to:

1. reimburse the return airfares, that is both outgoing and return totalling 190.68 euros, that Mr L and his family incurred, to the extent that these have not already been reimbursed or waived, and subject to the other limits in the policy, and
2. pay Mr L compensation of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 February 2016.

Lennox Towers
ombudsman