

The complaint

Mr and Mrs B have complained that Ageas Insurance Limited ('Ageas') has unfairly declined their claim.

What happened

Mr and Mrs B bought a single trip travel insurance policy, underwritten by Ageas. They had booked a trip abroad with their children and were due to travel on 21 July, returning to the UK on 1 August 2020.

Mrs B declared her medical conditions which were accepted by Ageas.

Mr and Mrs B cancelled their trip in July 2020 as Mrs B had been advised to shield by her consultant due to being extremely clinically vulnerable if she contracted Covid-19. Their flights were non-refundable and so they made a claim to Ageas as Mrs B was effectively in quarantine, which is covered under the terms of the policy.

But Ageas declined the claim and said self-isolation as a precautionary measure due to the Covid-19 pandemic wasn't the same as being subject to quarantine.

Unhappy, Mr and Mrs B complained to Ageas and referred their complaint to this Service.

Our investigator looked into the complaint and didn't think Ageas had fairly declined the claim. So he recommended that Ageas should cover the cost of the flights and pay 8% simple interest on the amount due.

Ageas disagreed and referred to a number of other cases with this Service which it said supports its position that Mr and Mrs B's circumstances aren't covered.

And so the case has been passed to me to decide.

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.

Having done so, I agree that this complaint should be upheld and largely for the same reasons as already explained by the investigator.

The relevant industry rules say an insurer must handle claims promptly and fairly and shouldn't unreasonably reject a claim.

I've looked at the terms and conditions of Mr and Mrs B's policy, as this forms the basis of their contract with Ageas.

The policy terms provide cover under the cancellation and curtailment section for the:

“...unused portion of your travel and accommodation costs” due to “the death, bodily injury, illness or being subject to quarantine of you, a close relative or any person you have arranged to travel or stay with during your trip...”

The policy doesn't define 'quarantine' and so I've considered the everyday meaning of the word and the context in which 'quarantine' is used within the policy wording. I've also taken into account the following dictionary definitions:

“A state of enforced isolation.”

“A general period of time in which people are not allowed to leave their homes or travel freely, so that they do not catch or spread a disease.”

“A period of isolation or restrictions on movements intended to prevent the spread of disease.”

I think the common meaning of quarantine is wide enough to include Mrs B's shielding. I appreciate Ageas disagrees and doesn't think self-isolation as a precautionary measure amounts to quarantine. But Mrs B wasn't self-isolating, she was advised to stay at home to prevent contracting Covid-19 due to her underlying health conditions which make her high risk.

I've looked at the shielding letter Mrs B received from her consultant, dated 27 March 2020. This said Mrs B should stay at home at all times for at least twelve weeks. The NHS website then provided an update for anyone who had received a shielding letter – which confirmed that Mrs B should continue to shield until at least the end of July 2020. And so I'm satisfied that when Mr and Mrs B cancelled their trip, Mrs B was effectively in quarantine. And I think this period can fairly be treated as a period of enforced isolation.

And so I think Mr and Mrs B's claim is covered under their policy with Ageas and I think Ageas has unfairly declined their claim.

In addition, had Mrs B travelled, she would be doing so against medical advice. And so she would be left in an unfair position where she wouldn't be covered if she cancelled, as a result of medical advice and also wouldn't be covered if she travelled.

Ageas has referred me to a number of other cases with this service. I should say that each case is decided on its own merits, depending on its specific circumstances. However, I have reviewed all of the cases referred to by Ageas and I can confirm that each of those cases relate to very different circumstances for the individuals involved and do not specifically relate to or comment on shielding. In Mr and Mrs B's case, I am satisfied that Mrs B's need to shield is covered under this policy as she was effectively in quarantine and so they cancelled as a result of an insured event.

My final decision

For the reasons set out above, I uphold this complaint and direct Ageas Insurance Limited to:

- accept Mr and Mrs B's cancellation claim, subject to the applicable policy limits and/or excesses and;
- pay 8% simple interest per annum on the amount due from the date of the claim, to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to

accept or reject my decision before 21 April 2022.

Shamaila Hussain
Ombudsman