

The complaint

Mr and Mrs J complain that Admiral Insurance (Gibraltar) Limited has turned down a claim Mrs J made on a travel insurance policy.

As Mrs J made the claim and brought the complaint to us, I've referred only to her throughout this decision.

What happened

Mrs J took out a travel insurance policy in November 2021. In January 2022, while Mrs J was on holiday abroad, she learned that a close relative had sadly passed away. So Mrs J called Admiral, as she needed to get home and wanted to look into making a claim on her travel insurance policy.

The call handler told Mrs J that she could make arrangements to return to the UK and make a claim retrospectively. Mrs J cut short her trip and travelled back to the UK. She made a curtailment claim on the policy.

Admiral turned down Mrs J's claim. It noted that Mrs J's relative had been diagnosed with a serious medical condition some time before the policy had been taken out. And Mrs J's relative had passed away as a result of this condition. Admiral told Mrs J that the policy specifically excluded claims which arose because of the pre-existing medical conditions of non-travelling relatives. Therefore, it concluded that Mrs J's claim wasn't covered by the policy terms.

Mrs J was unhappy with Admiral's position, and she asked us to look into her complaint. She said Admiral's call handler had told her that she'd be covered for all of her expenses, door-to-door. She added that he hadn't asked her whether her relative had any pre-existing medical conditions.

Our investigator didn't think Mrs J's complaint should be upheld. She felt the policy terms made it clear that Admiral didn't cover claims caused by the pre-existing medical conditions of non-travelling relatives. And as Mrs J's relative had been diagnosed with the condition a year prior to the policy being purchased, the investigator thought it'd been reasonable for Admiral to decline to pay the claim.

The investigator also listened to the call between Mrs J and Admiral's call handler. She didn't think the call handler had given Mrs J any guarantee that the claim would be paid. She also didn't think the call handler would've had any reason to believe that the claim was down to a pre-existing medical condition.

Mrs J disagreed. In summary, she felt the onus of mentioning a pre-existing medical condition had to rest with the trained insurance professional, not on individuals who didn't realise they'd need to make this point. She said this was even more important, given such calls were usually made during times of high stress and require all of the relevant information from an insurer. And she said that the call handler hadn't indicated at any point that the claim might not be paid.

The complaint's 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, whilst I'm sorry to disappoint Mrs J, I think it was fair for Admiral to turn down her claim and I'll explain why.

First, I'd like to offer my sincere condolences to Mr and Mrs J for their loss. I don't doubt what an upsetting time this has been for them. I'd also like to reassure Mrs J that I've carefully considered all she's said and sent us when reaching my decision.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of Mrs J's policy and the relevant claims calls, to decide whether Admiral treated her fairly.

Is the claim covered by the policy terms?

I've first considered the policy terms and conditions, as these form the basis of Mrs J's contract with Admiral. Page 14 of the policy sets out a 'Medical Declaration'. This includes the following:

'We will not pay any claim related to a pre-existing medical condition of other people, whose health may affect your decision to travel or remain overseas such as a close relative, travel companion, close business associate or any person you have arranged to stay with, which they had at the start or renewal of your policy or when you booked a trip (whichever is later).'

The definition of a pre-existing medical condition is:

'Any disease, illness or injury that, you or any insured person (or any person your trip depends on) has, when arranging or renewing your policy, or when you book a trip (whichever is later) see Medical Declaration on page 13.'

Page 32 of the contract sets out the cover Admiral provides if a policyholder cuts short their trip. This includes curtailment cover if a policyholder has to cut short their trip because of the illness or death of a close relative. However, page 34 sets out specific events which Admiral has chosen to specifically exclude from curtailment cover. One of these is that it won't pay any claim related to:

'a pre-existing medical condition of other people whose health may affect your decision to travel or remain overseas, such as a close relative, travel companion, close business associate or person you have arranged to stay with, which they had at the start or renewal of your policy or when you booked a trip (whichever is later).'

In my view, Admiral has clearly explained in the contract what it considers a pre-existing condition to be and that it doesn't cover the pre-existing conditions of close relatives. And I note that the Insurance Product Information Document, which sets out an at-a-glance summary of policy cover and important terms, also says, on page one:

'What is not insured

Pre-existing medical conditions of non-travelling relatives or of those whose health may

affect your decision to travel or remain overseas: this exclusion applies regardless of whether you were aware of the condition or not.'

There's no dispute that Mrs J's relative had been diagnosed with a serious illness several months before the policy was taken out. And it's common ground that it was this condition which led to the passing of Mrs J's relative and therefore, led to Mrs J understandably needing to cut short her trip. As such then, I don't think it was unfair or unreasonable for Admiral to conclude that the above exclusion clause applied to the circumstances of Mrs J's claim and accordingly, to turn the claim down.

The telephone calls

Like the investigator, I've listened carefully to the calls between Mrs J and Admiral's call handler. It's clear Mrs J strongly feels that she was given misleading information by the call handler and that they didn't tell her about the pre-existing condition exclusion.

However, I don't think that the call handler did give Mrs J unclear or misleading information. They explained that there was curtailment cover available on the policy and what this might pay out for. They also explained that Mrs J could make all the arrangements she needed to get back to the UK and claim retrospectively. I don't find this was a guarantee that any claim would definitely be paid though or that all Mrs J's costs would be met.

Neither do I think there was anything in the calls which ought to have put the call handler on notice that Mrs J's claim might be caught by the pre-existing medical condition exclusion. So I wouldn't reasonably have expected them to point this exclusion out to Mrs J at this stage in the claims process.

Even if I had thought the call handler had made an error though, I'd then need to go on to think about whether such an error had caused Mrs J to do something she wouldn't otherwise have done, which had caused her to lose out. Here, that means that I'd need to be satisfied that Mrs J wouldn't have curtailed her trip but for her conversation with the call handler. And having listened to the calls, I don't think I could fairly find that this was the case. That's because Mrs J told the call handler that due to the passing of her relative, she needed to get back home. So even if she'd been told upfront that potentially, her claim might not be paid, I still think it's more likely than not that she'd have cut short her trip and returned to the UK.

Overall, despite my natural sympathy with Mrs J's position, I think Admiral has treated her fairly. And I don't think there are any reasonable grounds upon which I could direct it to pay her claim.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr J to accept or reject my decision before 20 February 2023.

Lisa Barham
Ombudsman