

The complaint

Mr and Mrs S complain about how Euroins AD ('Euroins') handled a claim under their travel insurance policy when Mr S experienced a medical emergency abroad.

All references to Euroins include the agents appointed to handle claims and complaints on its behalf.

What happened

Mr and Mrs S held single trip travel insurance policy, provided by Euroins.

Unfortunately, during a holiday abroad, Mr S was injured while he was a passenger on a motorcycle. Mrs S notified Euroins that Mr S was in hospital, and Euroins said it would deal with Mr S's case. After a few days, Euroins told Mrs S it was waiting for its medical team to review the relevant reports and other information, to confirm if cover was in place. Euroins subsequently told Mrs S not to worry about her and Mr S's original return flights, and that it was looking into arranging repatriation.

Over two weeks after Euroins was first notified about the claim, it said there was no cover for the incident under Mr and Mrs S's insurance policy because of an exclusion relating to riding on a motorcycle with an engine capacity in excess of 250cc. Mr and Mrs S ultimately arranged their own flights back to the UK.

Mr and Mrs S disputed Euroins' decision to decline the claim and made a complaint, but Euroins stopped responding to them. Unhappy, Mr and Mrs S brought the matter to the attention of our service.

One of our investigators looked into what had happened and said he thought Euroins' decision to decline Mr and Mrs S's claim was fair. However, he said he thought Euroins should pay Mr and Mrs S £200 compensation for their disappointment and loss of expectation arising from the delays in being told their claim wasn't covered.

Euroins accepted our investigator's opinion but Mr and Mrs S didn't. As a resolution couldn't be reached, the complaint has been referred to me to make a decision as the final stage in our process.

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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. The rules also say insurers must handle claims promptly and provide reasonable guidance to help a policyholder make a claim, as well as appropriate information on its progress. I've taken these rules into account when making my decision about Mr and Mrs S's complaint.

Mr and Mrs S don't appear to dispute that their claim isn't covered under the terms and

conditions of their policy but, for the avoidance of doubt, I don't think Euroins acted unfairly or unreasonably by declining this claim. I'm satisfied that the general exclusion which Euroins quoted to Mr and Mrs S applies to the circumstances of this case, even though Mr S was a passenger on the motorcycle rather than driving it himself.

However, Euroins didn't handle this claim as I'd have expected it to. Two days after it was notified about the incident, Euroins told Mrs S that the claim was subject to review and confirmation of cover but I think Euroins could have been much clearer in its subsequent communications with Mrs S in explaining that cover wasn't yet approved. I can understand why Mrs S thought the claim was being covered.

Euroins was aware from the first point of claim notification that the incident arose when Mr S was a passenger on a motorcycle which was extremely unlikely to have an engine size of less than 250cc. However, Euroins didn't ask Mrs S for further details about this until over a week later. And, when Euroins did make the decision that the claim wasn't covered, Mrs S wasn't told about this for a further two days. In circumstances such as these, I'd expect Euroins to have investigated, identified and communicated to Mrs S that the claim wasn't covered sooner than it did.

I'm satisfied that Mr and Mrs S experienced disappointment and loss of expectation as a result of how Euroins handled their claim. I've also taken into account the distress and inconvenience which I think Mr and Mrs S experienced because of Euroins' delays, lack of contact and lack of clear communication at certain points, as well as its failure to respond to Mrs S's emails as the claim progressed.

However, when deciding what level of compensation I think is warranted, I have no power to punish or fine a business and I must have regard to the fact that this claim was never covered under Mr and Mrs S's policy. Furthermore, I don't think Euroins changed its reasons for declining Mr and Mrs S's claim. Instead, I think Euroins tried to explain why this exclusion is contained within the policy in an attempt to aid Mr and Mrs S's understanding of the situation. And, I've seen evidence that Euroins was making enquiries about an eventual repatriation for Mr S. So, I'm satisfied that Euroins did what it told Mrs S it was going to do in relation to this issue – regardless of whether Euroins communicated this to Mrs S at the time.

Mr and Mrs S say the compensation which our investigator recommended wasn't at an appropriate level and I can understand their strength of feeling about Euroins' actions in this case. But, overall, having considered all the circumstances surrounding this complaint, I'm satisfied that an award of £200 is fair and reasonable for the impact of what I think Euroins' mistakes were on Mr and Mrs S.

I've also thought about whether it would be fair and reasonable to ask Euroins to pay what Mrs S has described as the 'aviation fines' charged to amend the original return flights back to the UK.

Mr and Mrs S originally paid a total of £1322 in return fares and £1258.12 in taxes and fees for their entire trip. These were described on the original booking invoice as 'non-refundable'.

The amended confirmation invoice also shows costs for the entire trip (i.e., the original outbound flights and new return flights on a later date than was originally scheduled), for the same amounts in return fares and taxes and fees. The amended confirmation invoice shows an additional charge, described as '*Amendment fee airline*', was imposed.

When Euroins was first notified of this claim and when Mrs S first contacted her flight booking agent, it was clear that Mr S wasn't going to be fit to fly on his original return date -

but the date on which Mr S would be fit to fly was unknown. Mrs S said the booking agent outlined a few options to her – neither of which she could agree to at that time because of the uncertainty surrounding when Mr S would be fit to fly – so instead she asked Euroins to cancel the original return flight. I accept that Euroins could have been clearer in communicating with Mrs S about what it was (or wasn't) going to do in terms of cancelling the original return flights but, even if Euroins had contacted the flight booking agent when Mrs S asked it to, Euroins wouldn't have been able to confirm when the flights could be rebooked for.

Based on the evidence I've seen I think Mr and Mrs S would always have had some element of financial loss or additional financial outlay relating to their original return flights in circumstances where their claim wasn't covered under their policy. It seems likely that Mr and Mrs S would either need to have borne the loss relating to their original unused return flights (which were described as non-refundable) and paid for the full cost of new flights back to the UK or paid a flight amendment fee. So, while I'm sorry to disappoint Mr and Mrs S, I don't think there are any reasonable grounds upon which I could fairly direct Euroins to pay the amendment fee which Mr and Mrs S were charged.

Putting things right

Euroins AD needs to put things right by paying Mr and Mrs S a total of £200 compensation for the distress and inconvenience they experienced.

Euroins AD must pay the compensation within 28 days of the date on which we tell it Mr and Mrs S accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

My final decision

My final decision is that I uphold Mr and Mrs S's complaint in part and I direct Euroins AD to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 22 May 2023.

Leah Nagle
Ombudsman