

## The complaint

Miss F1 and Miss F2 complain because Liverpool Victoria Insurance Company Limited ('LV') hasn't paid their travel insurance claim for cutting a trip short.

## What happened

Miss F1 and Miss F2 held an annual travel insurance policy, provided by LV.

Unfortunately, while travelling abroad, Miss F1 and Miss F2 were told that one of their parents had only a few weeks to live. Miss F1 and Miss F2 paid for flights to return to the UK as quickly as they could. Very sadly, their parent subsequently passed away.

Miss F1 and Miss F2 made a claim with LV for their additional and unused costs but LV said their claim wasn't covered. LV said this was because Miss F1 and Miss F2's policy excluded claims relating to the health of a relative which the policyholder was aware of when taking out a policy, as well as claims directly or indirectly linked to the abuse of alcohol.

Miss F1 and Miss F2 complained to LV, who maintained its decision to decline the claim but paid £300 compensation for its delays and communication failings.

As Miss F1 and Miss F2 remained unhappy, they brought the matter to the attention of our service.

One of our investigators looked into what had happened and said she didn't think LV had acted unfairly or unreasonably by declining the claim. Miss F1 and Miss F2 didn't agree with our investigator's opinion, so the complaint has been referred to me to decide 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 say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when making my final decision about Miss F1 and Miss F2's complaint.

At the outset, I'd like to say that I'm very sorry to hear about the sad circumstances surrounding this complaint and I'd also like to offer Miss F1 and Miss F2 my sincere condolences for their loss.

LV has relied on two different policy exclusions when declining this claim. The first says:

***'We won't cover you for any claim that is caused by or is in any way related to any of the following.***

1. *Something that at the time of taking out **your** policy or booking a trip **you** were aware of and knew could result in **you** needing to make a claim, unless **we** have agreed in*

*writing to provide cover. For example, the poor health of a **relative** or someone travelling with **you**.*

It's not in dispute that Miss F1 and Miss F2 were aware of their parent's liver disease diagnosis but I accept what they've said about the condition being manageable and not life-threatening. I also accept that Miss F1 and Miss F2 didn't expect their parent to pass away and, had there been any suggestion that this might happen, they wouldn't have travelled abroad.

But, even if I agree that this exclusion doesn't apply to their claim, I don't think Miss F1 and Miss F2's claim is covered under their policy anyway. This is because of the second exclusion which LV has relied on. The policy terms and conditions also say:

***'We won't cover you for any claim that is caused by or is in any way related to any of the following.***

...

***7. Any medical conditions or symptoms that are directly or indirectly related to the abuse of alcohol.'***

This limitation on cover is clearly referenced on the 'Insurance Product Information Document' issued in connection with Miss F1 and Miss F2's policy, which says:

***'What is not insured?***

...

***X Claims caused by alcohol, drugs or substance abuse.'***

I don't agree that policy exclusion 7 relating to alcohol applies only to the policyholder(s). I think the policy documentation clearly states that the exclusion applies to all claims. Insurance policies don't cover every unforeseen situation and an insurer is entitled to limit the risks it is agreeing to cover in return for the premium paid. Exclusions like this are common in most, if not all, travel insurance policies available on the market.

Miss F1 and Miss F2's parent's death certificate lists alcoholic liver cirrhosis as one of the causes of death. So, I don't think it was unfair or unreasonable in the circumstances for LV to conclude that this claim was caused by alcohol abuse.

This means I don't think Miss F1 and Miss F2's claim is covered under the terms and conditions of their policy and I don't think LV has acted unfairly or unreasonably by declining their claim.

While I can appreciate why Miss F1 and Miss F2 are unhappy with having to provide LV with personal information surrounding their parent's passing, LV was reasonably entitled to ask for the evidence it did in order to determine whether the circumstances of the claim were covered under their policy.

Miss F1 and Miss F2's strength of feeling about their complaint is clear and understandable. I've taken into account everything they've told us about their parent's lifestyle and I want to explicitly state that I'm not making any judgement either on this or on their decision to travel abroad. My role is limited to considering whether I think LV has acted fairly and reasonably based on the available evidence and, for the reasons I've outlined above, I think it has.

I'm satisfied that the payment of £300 compensation which LV has already made fairly reflects the impact of its delays and communication failings on Miss F1 and Miss F2.

I'm sorry to disappoint Miss F1 and Miss F2 and I don't wish to cause them any further upset, but I won't be directing LV to do anything further.

**My final decision**

My final decision is that I don't uphold Miss F1 and Miss F2's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F1 and Miss F2 to accept or reject my decision before 13 March 2024.

Leah Nagle  
**Ombudsman**