

## **The complaint**

Mr W, Ms W and Ms S complain that Astrenska Insurance Limited have unfairly declined their claim.

## **What happened**

Mr W and his family were on holiday when the government of the country they were in sent a text message warning them to leave the area due to wildfires. They left their accommodation and sought new accommodation. They claimed for their associated losses.

Astrenska declined the claim on the basis it wasn't covered under the policy terms as there was no cover for wildfires unless additional cover had been purchased. Mr W didn't think this was fair as there was evidence that the fire had been started deliberately. Unhappy, Mr W referred his complaint to the Financial Ombudsman Service.

Our investigator looked into what had happened and didn't uphold the complaint. She thought Astrenska had fairly declined the claim in line with the relevant policy terms and conditions. And she didn't think it was fair for Astrenska to pay the claim when Mr W hadn't purchased additional cover for travel disruption, which would have offered cover for wildfires.

Mr W didn't agree and asked an ombudsman to review the complaint. In summary, he said that the accommodation had become uninhabitable due to the wildfires in the area and that he didn't think he'd have been covered if he'd purchased the additional cover option.

## **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.

The relevant rules and industry guidelines say that Astrenska have a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably. The policy terms and conditions say:

"This section covers additional accommodation costs if you are forced to move from your pre- booked accommodation and into an alternative at the same destination. Your original accommodation must be uninhabitable for a reason listed under "What is Covered" for at least 24 hours. We will pay up to the sum insured for the same standard of accommodation as you originally booked when your travel provider does not supply an alternative".

What is Covered...

Fire or storm damage (not listed as a natural catastrophe)".

I'm not upholding Mr W's complaint because:

- Mr W's accommodation wasn't damaged by fire. He received a general instruction to leave the area due to wildfires. Applying a strict application of the policy terms, I don't

think there is cover because he wasn't forced to move for an insured reason. Therefore, I don't think the decision to decline the claim was unreasonable.

- I don't think there's any cover available for Mr W's losses under the remaining sections of the policy terms and conditions which offer standard cover.
- I don't think it would be fair and reasonable to depart from the policy terms in the circumstances of this case. Mr W could have purchased an additional cover option for trip disruption. This provided cover for substitute accommodation and cutting short a trip as a result of natural catastrophe, including wildfires. Mr W didn't pay the additional premium for this cover so I can't fairly conclude he should receive the benefit of it.
- I've considered Mr W's argument that he wouldn't have been covered if he'd purchased the additional cover. I'm not persuaded that's correct, based on the policy terms as wildfires are covered under the definition of natural catastrophe. But, in any event, Mr W didn't purchase the additional cover and I don't think it's fair to direct Astrenska to cover the claim in the circumstances of this case.
- Mr W has also made the point that the fires were, according to government sources, started deliberately. But I don't think that's central to the outcome of this complaint. Mr W didn't have the additional cover option and there's no cover for natural catastrophes as part of the standard level of cover. That means the definition of 'wildfire' isn't central to the outcome of this complaint and so I don't need to go on to make a finding about whether a fire that's started deliberately amounts to a 'wildfire'. So, I don't think this point impacts on the overall outcome of this complaint.

### **My final decision**

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W, Ms W and Ms S to accept or reject my decision before 19 February 2024.

Anna Wilshaw  
**Ombudsman**