

The complaint

Ms B, Miss U and Mr U are unhappy that U K Insurance Limited have declined to cover a claim they made on their travel insurance policy.

What happened

Ms B has travel insurance which is linked to her package bank account. She was going on holiday with her family, but they were stopped by police. This caused them to miss their flight.

Ms B says that she spoke to UKI's legal team who said she would be covered. However, her claim was declined by UKI. Unhappy, she complained to the Financial Ombudsman Service.

Our investigator didn't uphold Ms B's complaint. He didn't think the circumstances were covered by Ms B's policy. Ms B didn't agree and asked an ombudsman to review the complaint. She said that her bank had misunderstood the extent of coverage which led to a consultation with their legal team. She explained she was assured of reimbursement. The complaint was passed to me to make a decision.

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.

UKI has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions set out the cover available for missed departure. It says there is cover for:

'Missed Departure or Connection

We will pay up to £1,000 (£500 for trips inside your home area) for each insured person for reasonable extra accommodation and travel costs if you fail to arrive at your point of departure or connection in time to board your pre-booked aircraft, ship or train.

Reasons for missed departure or connection

1. Public transport delay: the delay of scheduled public transport (not taxis) in which you are travelling to your departure point.
2. Car accident or breakdown: the vehicle in which you are travelling being involved in an accident or breaking down.
3. Traffic delay: the vehicle in which you are travelling being delayed by heavy traffic or road closures severe enough to be reported through a recognised media channel.'

I'm not upholding this complaint because:

- Travel insurance policies don't cover every eventuality. This policy specifies the circumstances in which the policyholder is covered for missed departure.
- The policy doesn't cover missed departure due to being stopped by the police. So, there's no cover available in line with the policy terms and conditions.
- I don't think there's any other section of cover in the policy which offers cover for these circumstances.
- I'm not persuaded it's fair and reasonable to depart from the policy terms and conditions in the circumstances of this case. The circumstances Ms B faced were unusual and out of her control. But there's no compelling reason why her insurer should cover her cancellation costs when it's not an event UKI were prepared to cover the risk for.
- I've taken into account what Ms B has said about contacting a legal team who told her, in summary, that she should be able to claim as she had to comply with the police's instructions. However, I don't think this means that it is unreasonable for UKI to apply the relevant policy terms. Any claim is always subject to the policy terms.
- Even if Ms B was told that she would be reimbursed, I'm not persuaded that she's experienced any detriment in the circumstances of this case. That's because I don't think there was a direct link between the information given to Ms B by the legal team about the scope of cover and her missing her flight. Based on the evidence available to me I think she spoke to the legal team after she'd missed the flight. And she was also promptly given the correct outcome of the claim review. Therefore, I think any misunderstanding about cover was, in my view, most likely to have been swiftly corrected. So, even if I accepted that Ms B was given the wrong information, I don't think UKI needs to pay the claim or any compensation.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B, Miss U and Mr U to accept or reject my decision before 9 April 2024.

Anna Wilshaw
Ombudsman