

## **The complaint**

Mr and Mrs H have complained that Arch Insurance (UK) Limited ('Arch') has unfairly declined their claim.

## **What happened**

Mr and Mrs H bought an annual multi trip travel insurance policy in 2023, underwritten by Arch.

Shortly before the departure date for a trip, Mrs H visited her GP and was referred for a scan.

Mrs H then travelled abroad and whilst there, became very unwell and was hospitalised with a serious illness. She received treatment and surgery.

Mr and Mrs H contacted Arch for assistance but Arch confirmed it needed to verify cover and had requested information from Mrs H's GP. Mr H paid a large sum of money in hospital costs.

Arch referred the matter to the underwriters who declined the claim as an exclusion applied. It said Mrs H hadn't told it about her scan and so there was no cover under the terms of her policy. But even if she had told Arch about the scan, it would have applied an exclusion to anything related to her abdomen.

Mr and Mrs H complained and Arch accepted that it could've provided better guidance and information for which it offered £100 compensation. But it maintained that its claim decision was correct.

Unhappy, Mr and Mrs H referred their complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Arch had incorrectly declined it.

Mr and Mrs H disagreed. And so the case has been passed to me for a final 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

I issued my provisional decision on 9 February 2024 in which I said the following:

- "Our investigator has quoted The Consumer Insurance Disclosure and Misrepresentation Act 2012 (CIDRA) and has explained that Mrs H made a careless qualifying misrepresentation which would entitle Arch to apply an exclusion and charge a higher premium. She also said Mrs H had failed to inform Arch about her GP visit and had she done so, an exclusion would have been applied.

- Although Arch did refer to Mrs H's non-disclosure at the point of sale, it hasn't declined the claim under CIDRA. It has declined the claim on the basis of Mrs H's failure to tell it about her ongoing investigation relating to her GP visit before she went abroad.
- Arch's reason for declining the claim was as a result of Mrs H's ongoing investigations. Arch has applied the following exclusion to decline Mrs H's claim: *"This section does not cover claims...if you are awaiting the results of any tests or investigations."*
- Arch has also provided information from its underwriter to show that had Mrs H called it at the point of visiting the GP, it would have added an exclusion to the whole abdomen and so her claim would not have been covered in any event.
- I don't think that's unfair as Arch is entitled to decide whether it's prepared to accept a risk or exclude a condition. It isn't unusual for an insurer to decline cover in circumstances where investigations are ongoing or to decide to apply an exclusion.
- Mr H also says the exclusion isn't clear and only allows Arch to specifically exclude the condition that has been diagnosed. However, Arch is entitled to exclude any claim under the medical expenses section due to the clear exclusion relating to tests and investigations. So I can't fairly ask Arch to pay the claim.

Having considered everything Mr and Mrs H have said, I am sorry to disappoint them but I don't think Arch has unfairly declined the claim."

Mr and Mrs H have responded to my provisional decision and in summary, have made the following comments:

- It is not clear that the policy allows Arch to exclude cover in the way that it did. The general exclusion relates to undiagnosed symptoms where the underlying cause has not been established. The GP diagnosed the lump to be harmless and confirmed the diagnosis. The GP only recommended a scan to clarify the diagnosis, it was not therefore undiagnosed and there was no underlying cause to be established.
- The exclusion does not give the insurer the right to exclude cover for a region of the body.
- The harmless lump was not being investigated due to any pain or symptom.
- I have suggested that the reason for declining the claim was as a result of ongoing investigations. The policy under 'pre-existing medical conditions' excludes claims arising from or related to any undiagnosed symptoms. The claim did not arise from or relate to the lump.
- Arch's rejection of cover is not allowed under the policy wording.

I have carefully considered everything Mr and Mrs H have said but I still don't think Arch has done anything wrong.

On page 6, the policy terms and conditions confirm the insurer can amend the terms of the policy and may apply amended terms as if they were already in place. In this case, the insurer declined the claim on the basis of the exclusion it would have applied had Mrs H informed it of her lump and scan.

Even if Mrs H's claim didn't arise from the lump for which she was awaiting a scan, had she called the insurer, it would have fairly and reasonably applied an exclusion.

Additionally, even though Mrs H's lump was later found to be unconnected to the surgery she needed, at the time of her GP visit, she should have called the insurer, in line with the policy terms and conditions. Although the GP suspected a fatty lump, a scan was arranged to clarify the diagnosis. I don't think Mrs H could categorically have told the insurer that the lump was harmless without the scan.

The insurer has provided confirmation from its underwriter that it would have added an exclusion in these circumstances. The insurer can add an exclusion relating to a part of the body where the diagnosis is unknown or unconfirmed. The GP's suspected diagnosis was not confirmed at the time and so could not reasonably be relied on (even if it has been clarified after the event, following surgery).

And finally, under the general exclusions, Arch can exclude any claims where Mrs H is waiting for tests (page 43, 1g). This is also clearly confirmed on the Insurance Product Information Document under 'What is not Insured'.

For the sake of completeness, I think the £100 already offered to Mr and Mrs H for the poor service is also reasonable. As I am satisfied that Arch has fairly declined Mrs H's claim in line with the policy terms and conditions, I won't be asking it to do anything further.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 28 March 2024.

Shamaila Hussain  
**Ombudsman**