

The complaint

Mr M is unhappy that Zurich Insurance PLC declined a claim he made on his travel insurance policy.

What happened

Mr M broke his leg whilst skiing on holiday. He claimed on his travel insurance policy, but the claim was declined because he hadn't purchased winter sports cover. Mr M complained to Zurich about the length of time taken to resolve the outstanding medical bills and the decision to decline the claim.

In their final response letter Zurich offered Mr M £150 for the delays in handling the claim. But they said that they couldn't pay the claim as Mr M didn't have the winter sports additional cover option. So, Mr M complained to the Financial Ombudsman Service.

Our investigator looked into what happened and recommended that Zurich increase the compensation to £400 as they could have declined the claim much sooner. However, she didn't think Zurich needed to pay the claim as Mr M didn't have winter sports cover.

Zurich accepted the investigator's findings. Mr M asked an ombudsman to review the complaint as he didn't agree this was fair in the circumstances.

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

Mr M has complained to the business responsible for the sale of the policy. My decision focuses on Zurich's decision to decline the claim and the delays in handling the claim.

I'm partly upholding Mr M's complaint. I say that because:

- Mr M didn't have winter sports cover added to the policy which was in force at the time that he had the accident. So, I don't think it was unreasonable for them to decline the claim as Mr M hadn't paid the additional premium for this level of cover. Mr M has complained to the business responsible for the sale of the policy.
- Zurich agrees that there were delays in handling the claim. Mr M made his claim in March 2023 but a final decision about the claim wasn't made until September 2023. I don't think that was reasonable as the circumstances of the claim were straightforward and I think Zurich could have given Mr M a decision much more quickly.
- During the time that the claim was being assessed Mr M was being chased by debt

collectors and had to liaise with the hospital about the outstanding bills. I think the delay in handling the claim caused him inconvenience and caused him to worry. If he'd been given the outcome of the claim sooner this could have been avoided. I think £400 compensation, inclusive of the £150 offered, fairly reflects the distress and inconvenience caused.

Putting things right

I'm upholding this complaint and direct Zurich to pay Mr M a total of £400 compensation.

My final decision

I'm partly upholding Mr M's complaint about that Zurich Insurance PLC and direct them to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 April 2024.

Anna Wilshaw
Ombudsman