

The complaint

Mr M has complained that Admiral Insurance (Gibraltar) Limited declined a claim he made on a travel insurance policy.

What happened

Mr M and his wife were due to travel abroad on 8 December 2023. However, his father-in-law was admitted to hospital just prior to that and underwent a serious operation. His father-in-law's condition then deteriorated, so they had to cancel the trip. Unfortunately, his father-in-law later died on 11 December 2023.

Admiral declined the claim on the basis that the circumstances were not covered under the policy terms.

Our investigator thought that Admiral had acted reasonably in declining the claim, in line with the policy terms and conditions. Mr M disagrees with the investigator's opinion and so the complaint has been passed to me for 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.

I'd firstly like to express my condolences to Mr M and his wife for their loss. It must be very stressful having to make a claim, and then a complaint, in such circumstances.

I've carefully considered the obligations placed on Admiral by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Admiral to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Mr M has made a claim under the cancellation clause of the policy. Looking at the policy terms, they state:

'Section 2: Cancelling or cutting short your trip

What is not covered

We will not pay any claim:

Relating to a pre-existing medical condition of other people whose health may affect your decision to travel or remain overseas, such as a close relative, travel companion, close

business associate or person you have arranged to stay with, which they had at the start or renewal of your policy or when you booked a trip (whichever is later).'

The insurance product information document, which is designed to provide a quick summary of cover, states:

'What is not insured?

Pre-existing medical conditions of non-travelling relatives or of those whose health may affect your decision to travel or remain overseas; this exclusion applies regardless of whether you were aware of the condition or not.'

Based on the above, I'm satisfied that Admiral made it sufficiently clear that claims are not covered if the reason for cancelling is due to a non-travelling relative becoming unwell due to a pre-existing condition.

It's not in dispute that Mr M's father-in-law's ill-health was directly related to a pre-existing condition. The hospital doctor confirmed that there were complications from a condition that had been diagnosed 10 years before.

Mr M feels that Admiral's defence is that he and his wife should have foreseen what was going to happen. But he says that, as far as he knew, his father-in-law's condition was being well managed, and they couldn't have anticipated that he would take such a turn for the worse.

I have a great deal of sympathy for the situation that Mr M and his wife were faced with. There's no suggestion that they had any idea of the seriousness of his father-in-law's condition. The events were outside of their control, and they of course had no option but to cancel their trip. However, the question is whether the circumstances are covered under the policy terms – and unfortunately, I don't think that they are.

The policy has a clear exclusion for the pre-existing conditions of a close relative, irrespective of whether the policyholder knew about the condition (or the seriousness of the condition) or not.

I've thought about everything that Mr M has said. However, on balance, I consider that it was reasonable of Admiral to decline the claim, in line with the policy terms and conditions.

Whilst it will be disappointing to Mr M, it follows that I am unable to uphold his complaint.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 April 2024.

Carole Clark

Ombudsman