

## The complaint

Mr and Mrs S complain that EUI Limited mis-sold them a travel insurance policy.

## What happened

In October 2022, Mr and Mrs S took out an annual multi-trip travel insurance policy online through a price comparison website. The policy was arranged by EUI and underwritten by an insurer I'll call A. The policy provided cover for trips of up to 31 days in length.

A's policy terms stated that the maximum trip length *could* be extended, subject to its underwriting approval and the payment of an additional premium. So in March 2023, as Mr and Mrs S wanted to go on a trip for around 90 days in length, they asked A if it could extend the trip limit. But A turned down their request.

Mr and Mrs S therefore took out a single trip policy with another insurer to cover their planned trip. However, they were unhappy that their request to extend their trip limit had been declined. They'd been told that this was because they were over the maximum age limit for doing so. And they felt EUI should have highlighted this particular limit on potential trip length upgrades at the time of sale. So they asked us to look into their complaint.

Our investigator thought Mr and Mrs S' complaint should be upheld. She thought the age restriction on upgrading the maximum trip length was a significant limitation on cover which EUI ought to have highlighted during the sales process. So she recommended that EUI should pay Mr and Mrs S a pro-rata refund for the period they were unable to use their policy, together with £50 compensation.

I issued a provisional decision on 22 April 2024, which explained the reasons why I didn't think Mr and Mrs S' complaint should be upheld. I said:

*'It's important I make it clear that EUI wasn't responsible for drafting the terms of the policy, which, in brief, say that cover for extended trips may be available upon request, subject to underwriting approval and the payment of an additional premium. A, as the underwriter, is responsible for the policy wording. Neither was EUI responsible for the underwriting criteria A applied when it assessed Mr and Mrs S' request to extend their trip length nor for A's decision to decline their request. If Mr and Mrs S feel the policy wording is unclear or ambiguous as to the ability to upgrade cover; or if they feel the underwriting criteria may be unfair, then they'd need to complain about those issues to A.*

*EUI's role was to arrange Mr and Mrs S' policy and to send them the relevant policy documentation after the sale had taken place. So I've considered whether I think it did so fairly and in line with its regulatory obligations.*

*Both sides agree that Mr and Mrs S took out this policy online. It seems the online sale took place through a price comparison website. So it doesn't appear that EUI carried out an assessment of Mr and Mrs S' demands and needs or that it advised them to purchase the annual policy. This means it didn't need to make sure the policy was suitable for them. But it did need to give them enough clear, fair and not misleading information so that Mr and Mrs S*

could decide if the contract was right for them.

*I've seen a copy of the online sales process Mr and Mrs S followed when they took out the contract. They were asked whether they wanted a single trip or annual multi-trip policy. Mr and Mrs S chose an annual trip contract. No information was given about the actual trip length at this point nor was any indication given that the trip length could potentially be extended. Mr and Mrs S were asked to answer medical questions about themselves, before being directed to a table of insurers who could potentially offer cover. This list included A. The table also included a section titled 'Max days per trip'. A's policy clearly stated a maximum of 31 days per trip. Adjacent to the table of insurers was an option to amend 'max days per trip' if a potential policyholder wished to do so.*

*Once Mr and Mrs S selected A's policy, they were then shown details of cover and potential policy upgrade options. Again, each of A's listed policies stated that the max trip length was 31 days. There was no indication that the trip length could be upgraded or that any such upgrade request would automatically be approved.*

*In my view then, EUI gave Mr and Mrs S clear, fair and not misleading information about the key terms of the policy during the online sales process. The relevant maximum trip limit was stated to be 31 days. This is in line with the policy terms. And I can see that the trip limit of 31 days was also set out on the Insurance Product Information Document – an at-a-glance summary of the main benefits, features and exclusions of the insurance contract.*

*So in the round, I'm satisfied the trip limit was made sufficiently clear. Mr and Mrs S opted to select EUI's quote based on this information (and therefore take-up A's policy). I don't think there was anything to suggest that Mr and Mrs S may be able to extend the policy trip limit within the online sales information presented (aside from a link to the policy terms shown towards the end of the process) or that they were misled in any way.*

*Following the acceptance of the quote, EUI met its regulatory obligation to send Mr and Mrs S the policy documentation – including the policy schedule and policy terms. The contract terms set out the relevant trip limits and the potential to upgrade the trip length, subject to A's approval.*

*I don't think EUI would have been in a position to know - or indeed to give upfront information about – the criteria A applies when it assesses whether or not to grant an upgrade.*

*Overall then, whilst I'm sorry to disappoint Mr and Mrs S, I currently find that EUI met its obligations to provide them with clear, fair and not misleading information about the cover they were taking out. So it follows that I'm not planning to tell EUI to take any action.'*

I asked both parties to send me any further information they wanted me to consider.

EUI didn't respond by the deadline I gave.

I've summarised Mr and Mrs S' detailed responses to my provisional decision:

- They felt I'd misunderstood their complaint. They said that when they'd taken out the policy in October 2022, they'd wanted an annual policy to cover the trips they were planning – none of which had been longer than 31 days;
- But at this point, a family member had been considering moving abroad. So while they didn't want or need a policy which provided the potential to upgrade trip length when they took out the contract, the marketing material stated this was a possibility;

- They maintained the marketing material was misleading, as it advertised upgraded trip lengths could be available dependent on the payment of a premium. But there was a non-disclosed policy that the upgrade wasn't available to Mr and Mrs S. They'd disclosed their ages at the time of policy purchase but no reciprocal disclosure was made about how their ages would affect the policy;
- They considered the distinction I'd drawn between EUI and A to be unhelpful, given they formed part of the same group of companies and a long way from treating customers fairly. They considered starting the process again with A would be wasting everyone's time. They felt I should give my opinion on the likely success if the claim was brought against A;
- They were also concerned that if EUI couldn't deal with their complaint about the contract terms, it ought to have directed them to A. They were concerned that a hurdle had been placed in their way;
- They questioned EUI's response to the investigator's uphold view.

### **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, whilst I'm sorry to disappoint Mr and Mrs S, I still don't think EUI mis-sold this policy and I'll explain why.

First, I'd like to reassure Mr and Mrs S that whilst I've summarised their detailed submissions in response to my provisional decision, I've carefully considered all they've said and sent. In this final decision though, I haven't commented on each point that's been raised and nor do our rules require me to. Instead, I've focused on what I believe to be the key issues.

It's clear how strongly Mr and Mrs S believe that no distinction should be made between the actions of EUI, as the seller and administrator of the policy and A, the authorised insurer. However, I disagree. The relevant regulator, the Financial Conduct Authority, has authorised EUI to sell contracts of insurance and to assist in the administration and performance of insurance contracts. Those are the roles EUI has carried out here. It remains the case that A (which is authorised to carry out regulated activities in the UK) is responsible for drafting the policy terms; for handling claims and for making underwriting decisions.

No complaint about the clarity of A's policy terms nor about its underwriting criteria appear to have been made to A. Therefore, I am unable to consider any complaint about those particular points as part of this decision. It remains open to Mr and Mrs S to complain to A directly about those issues should they now wish to do so. They may then bring a new complaint to us about A should they remain unhappy with its position.

I appreciate Mr and Mrs S believe that the complaint should have been passed to A by EUI. So I've looked carefully at the complaint which they made to EUI and the complaint which was brought to us. It seems Mr S told EUI that the trip upgrade criteria weren't disclosed and he'd bought the policy on the basis that trip length extensions were available. And in their complaint form to us, Mr and Mrs S referred to the availability of additional cover being included to attract people to take out the policy. And that they felt the failure to disclose underwriting policies was because of an awareness that these would discourage consumers from taking out the cover. In my view, these are complaint points which relate to the way the policy was sold by EUI and so I think it was reasonable and appropriate for the complaint to be dealt with by EUI.

Turning to the sale of the policy itself, I explained in my provisional decision why I didn't think the sales process indicated that the maximum trip length would be longer than 31 days. So I don't agree that the sales material suggested to Mr and Mrs S that a trip length upgrade would potentially be available prior to their decision to take out the contract. As such, I don't think I could fairly find that this had any bearing on their decision to select this particular policy when they went through the sales process – especially since Mr and Mrs S appear to accept this point themselves. And I'm still persuaded that EUI gave Mr and Mrs S clear, fair and not misleading information about the policy at the point of sale.

Instead, the term was found in the policy document which EUI sent Mr and Mrs S *after* the sale had taken place. This document is the contract between Mr and Mrs S and A. EUI's role here was to provide them with the contract documentation post-sale and I'm satisfied it met its obligation in this regard.

Mr and Mrs S have queried EUI's response to our investigator's assessment. However, as I have reached a different outcome to our investigator, I don't think it would be appropriate for me to consider this point further. That's because I'm satisfied EUI met its regulatory obligations to sell this policy in a fair and reasonable way.

Overall, whilst I'm sorry to disappoint Mr and Mrs S, I don't find that EUI has made any error which it needs to put right. So I'm not telling EUI to take any action.

### **My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that I don't uphold this complaint.

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

Lisa Barham  
**Ombudsman**