

## **The complaint**

Mr and Mrs D are unhappy that U K Insurance Limited (UKI) has declined their travel insurance claim.

## **What happened**

Mr and Mrs D have an annual travel insurance policy alongside their bank current account. The policy is underwritten by UKI.

In September 2023, they booked a trip and were due to travel on 31 January 2024 and return on 14 February 2024.

Unfortunately, Mrs D was diagnosed with a medical condition which meant that their trip had to be cancelled in October 2023.

In January 2024, they submitted a claim to UKI in January 2024. It declined the claim because Mrs D's medical condition was under investigation at the time the trip was booked. The trip cancellation was excluded under Mr and Mrs D's travel policy.

Mr and Mrs D made a complaint to UKI – they said they weren't aware of Mrs D's condition when they booked the trip in September 2023, and she hadn't received a diagnosis. UKI responded and said her symptoms were raised in August 2023 with her dentist and this was when she was referred for investigation. UKI said this was before they booked their trip and cover was excluded because Mrs D was under investigation, she didn't need to have a diagnosis. In its final response, UKI also offered Mr and Mrs D £100 compensation for the distress and inconvenience caused to them as a result of UKI's delay in communicating this decision to them.

Unhappy, Mr and Mrs D brought their complaint to this service. Following this, UKI offered a further £150 compensation for the delays caused. They didn't accept this.

Our investigator reviewed the information and didn't uphold the complaint. She didn't think Mr and Mrs D's claim had been declined unfairly. And she thought £250 compensation was fair and reasonable in the circumstances of this complaint.

Mr and Mrs D disagreed and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

## **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 insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Mr and Mrs D's complaint.

As is commonplace with insurance policies, UKI's policy doesn't provide cover for every eventuality. But as long as UKI sets out what is and isn't covered by the policy in its terms and conditions, it can decline to pay for anything which it has excluded within those terms. So, I need to decide if UKI has applied its terms fairly.

At the outset, I understand that the situation has been difficult for Mr and Mrs D. So, whilst I understand that having to deal with a medical diagnosis is distressing, my role is to reach an independent and impartial outcome that's fair and reasonable, based on the information available to me.

I've started by looking at Mr and Mrs D's policy terms and conditions as they form the basis of their contract with UKI.

Page 18 of the policy refers to '*Specific Exclusions*':

*'4. Medical condition under investigation  
Any claim due to an illness or injury that is under investigation.'*

Page 19 refers to '*Cancelling Your Trip (up to the point of departure)*':

*'You are not covered for*

*We won't pay for:*

*12. These specific exclusions (see page 18 for full explanations):*

- 4 Medical condition under investigation'*

On page 8, it states policyholders must tell UKI about any medical conditions where in the last 12 months they've been recommended to have investigation of a medical condition or awaiting a diagnosis.

Based on the information provided by Mr and Mrs D's GP, Mrs D was referred for investigation following a visit to her dentist in August 2023. Their GP completed a medical certificate that was requested by UKI providing details of the medical condition which confirms this. I note that Mrs D received a diagnosis in November 2023.

As Mr and Mrs D booked their holiday in September 2023 following the referral for investigation, their claim is not covered under their policy. This is because there is a specific exclusion for any claims relating to a medical condition that is under investigation. From the information available, Mr and Mrs D didn't inform UKI about this investigation and therefore the claim isn't covered.

I acknowledge their comments that Mrs D didn't have a diagnosis until November 2023. But that is regardless as the terms are clear in that a medical condition under investigation is excluded under the policy and there is no cover for this.

In terms of the £250 compensation offered by UKI for the distress and inconvenience caused to Mr and Mrs D, I think this is fair and reasonable in the circumstances of this complaint. UKI delayed communicating the outcome of the claim to Mr and Mrs D by around three weeks. It had all the information it needed to provide an answer to them, but an avoidable delay was caused. And, bearing in mind the difficult time they were experiencing with Mrs D's diagnosis, this would no doubt have caused them additional distress and worry. I understand that UKI has acknowledged this and increased its offer from £100 to £250. Having carefully thought about what's happened, I think £250 is fair and reasonable.

Overall, I'm sorry to disappoint Mr and Mrs D, but I don't think UKI has declined their claim outside of the terms and conditions of their policy. And I don't think this has been done unfairly. I also think the £250 compensation is fair and reasonable for the impact caused to Mr and Mrs D. It follows that I don't require UKI to do anything further.

### **My final decision**

For the reasons given above, I don't uphold Mr and Mrs D's complaint about U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 14 January 2025.

Nimisha Radia  
**Ombudsman**