

complaint

Miss G and Mr M complain that Amtrust Europe Limited should settle a claim on their travel insurance policy.

background

Mr M and Miss G booked a holiday to a country for which they needed vaccinations. Later they bought travel insurance. After Miss G became pregnant and got medical advice, they cancelled the holiday. They complained that Amtrust turned down their claim.

The adjudicator recommended that the complaint should be upheld. She thought that, although the claim did not fall strictly within the terms of the policy, the complaint should succeed on a fair and reasonable basis. She recommended that Amtrust should:

1. meet Mr M and Miss G's claim;
2. add simple interest at the yearly rate of 8% from the date of their claim to the date of settlement (less any taxable deductions).

Amtrust disagrees with the adjudicator's opinion. It says that the policy did not cover the claim because Miss G was less than 26 weeks pregnant and there were no complications.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have seen policy terms including the following:

*"We will provide this cover if the cancellation of your trip is necessary and unavoidable as a result of the following...
8. If you become pregnant after the date you purchased this insurance cover... and you will be more than 26 weeks pregnant at the start of or during your trip. Or, if you become pregnant after the date you purchased this insurance cover and your doctor advises that you are not fit to travel due to complications in your pregnancy"*

That is a significant term. It is among a number of pages of terms. And I have not seen any policy summary. So I am not satisfied that Amtrust did enough to draw it to the attention of Mr M and Miss G.

About a month after buying the policy Miss G became pregnant. But she and Mr M paid the balance due to the holiday company at around the same time.

I accept Mr M's statement that Miss G saw a doctor when she was about twelve weeks pregnant. I have seen a doctor's certificate. It says that her due date was about four months after she would have got back from the holiday. In other words Miss G would have got back when she was about five months pregnant.

The certificate says:

"she cannot travel in regards to the distance and the vaccinations"

The certificate lacks detail. But I have no reason to doubt Mr M's statement that one of the vaccinations might have caused liver damage to the unborn baby.

And I have seen the travel advice that such a vaccination was recommended for the country where they had booked to go on holiday.

So I accept that cancellation of the trip was necessary and unavoidable. And this was because Miss G had become pregnant since buying the policy and her doctor had advised her not to travel.

I find the phrase "*complications in... pregnancy*" a bit vague. And I have not been satisfied that Amtrust did enough to draw it to the attention of the policyholders.

In any event Miss G's pregnancy was subject to the complication that her doctor's advice was not to get the vaccination which was otherwise recommended before travel to the destination she and Mr M had booked.

Therefore, I do not think Amtrust treated Miss G and Mr M fairly and reasonably by turning down their claim.

I have seen a cancellation invoice for £1,490.36 about two months before Miss G and Mr M were due to travel. I will order Amtrust to meet the claim (subject to the policy excess), with interest at our usual rate.

I do not doubt that Amtrust caused Mr M and Miss G some upset and put them to some trouble. But I do not think this was enough to call for compensation.

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint. I order Amtrust Europe Limited to:

1. meet Miss G and Mr M's claim subject to the policy excess;
2. pay simple interest on what it pays at a yearly rate of 8% from 6 July 2014 to the date of payment. If it thinks it has to deduct tax from the interest element of my award, it shall send Miss G and Mr M a tax deduction certificate when it pays them. They can then use that certificate to try to reclaim the tax, if they are entitled to do so.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss G and Mr M to accept or reject my decision before 10 July 2015.

Christopher Gilbert
ombudsman