



<u>Decision Ref:</u>	2021-0242
<u>Sector:</u>	Insurance
<u>Product / Service:</u>	Travel
<u>Conduct(s) complained of:</u>	Rejection of claim – cancellation/delay of transport Claim handling delays or issues
<u>Outcome:</u>	Rejected

LEGALLY BINDING DECISION OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

Background

This complaint refers to a Travel Insurance claim, declined by the Provider.

The Complaint is that the Provider has failed to pay the Complainant's Claim for Stg£2,000.00, based on a flight cancellation during his trip abroad from the UK, in **January 2020**.

The Complainant's Case

The Complainant purchased (online through a broker), a single trip Worldwide Travel Insurance policy on **12th January 2020** for his planned trip on **13th January 2020**, returning on **24th January 2020**. The Complainant was intending to fly from the UK to Karachi, this trip required a transfer flight into and out of Abu Dhabi.

The Complainant states that on his outward journey, the connecting flight from Abu Dhabi to Pakistan was cancelled. The Complainant says the Airline accommodated him with an "*overnight stay*" and he was given a seat on the next flight from Abu Dhabi to Karachi "*after 24 hours*".

The Complainant states he suffered not only financial loss, but the family event he was travelling to, had to be rearranged as a result of this flight cancellation.

On the Complainant's return to the UK, he submitted a claim on his insurance policy for the cancelled flight.

The Complainant wants the Provider to pay him Stg£2,000 "As clearly shown on the Insurance Certificate".

The Provider's Case

The Provider states that the Complainant seems to be claiming the policy limit for 'Cancellation' based on a misunderstanding that this section applies to the delay of the connection between Abu Dhabi and Karachi. The Provider says that the Complainant's trip was not cancelled. The Provider submits that it is its understanding that the Complainant reached his final destination, but that the connecting flight was delayed by 24 hours. The Provider states that it believes the Complainant was provided with overnight accommodation by the airline. The Provider says the Complainant did not provide details of why the flight was delayed as was specifically requested on the claim form, but his claim form made reference to 'overbooking/bad weather'.

The Provider's position is that, as the Complainant's trip was not cancelled, there is no cover under Section A of the policy. The Provider states that it also looked at whether any cover was provided elsewhere in the policy and says whilst it is unfortunate that the connecting flight was delayed, there is no cover for delay to connecting flights provided by this policy. It is the Provider's position that this is clearly and explicitly detailed in the policy wording. The Provider submits that the delay cover only applies in respect of flights departing from the UK, namely if the Complainant's final international departure from or to the UK is delayed for more than 12 hours.

Evidence

Travel Insurance Certificate

"This is your policy certificate. Please ensure that you familiarise yourself with the policy terms and conditions which can be viewed and downloaded from the links below..."

Cover Details

Baggage £1,500

Cancellation £2,000

Medical £7,500,000

Excess up to - £125 – varies by section"

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Travel Insurance Policy Table of Benefits

Section	Benefits	Gold Cover	
		Sum Insured up to	Excess
A	Canceling your trip	£2,000	£125
E1	Travel Delay	£20 for each full 12 hour delay up to £100	Nil

Section A – Cancelling your trip

What you are covered for under section A

We will pay up to the amount shown in the table of benefits for:

- *Travel and accommodation expenses which you have paid or have agreed to pay under a contract and which you cannot get back;*
- *The cost of excursions, tours and activities which you have paid for and which you cannot get back.*

Section E1 – Travel Delay, which states the following:

*“What you are covered for under section E1 - We will pay up to the amount shown in the table of benefits if **your** final international departure from or to the United Kingdom by aircraft, sea vessel, coach or train is delayed for more than 12 hours due to poor weather conditions (but not including weather conditions defined as natural catastrophe), a strike, industrial action or mechanical breakdown.*

We will pay a benefit for each complete 12 hour period that you are delayed, as long as you eventually go on the holiday.

Sections of Cover - General Definitions

Natural catastrophe - Volcanic eruption, flood, tsunami, earthquake, landslide, hurricane, tornado or wildfire.

Trip - Your holiday or journey starting from the time that you leave your home in the United Kingdom or from the start date shown on your policy certificate, whichever is the later, until you arrive back at your home address in the United Kingdom.

You, your, yourself - An insured person”

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The Complaint for Adjudication

The Complaint is that the Provider has failed to pay the Complainant's Claim for Stg£2,000.00, based on a flight cancelled during his trip in **January 2020**.

Decision

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainant was given the opportunity to see the Provider's response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision I have carefully considered the evidence and submissions put forward by the parties to the complaint.

Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

A Preliminary Decision was issued to the parties on **21 June 2021**, outlining the preliminary determination of this office in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter.

In the absence of additional submissions from the parties, within the period permitted, my final determination is set out below.

The Complainant's policy was a "Gold" Travel Insurance Policy.

The policy provided a range of travel insurance covers including trip cancellation, medical expenses, lost / delayed baggage etc.

The dispute in this case is over the claim for cancellation where the Complainant is claiming the benefit provided in respect of the cancellation of the entire trip, when in fact

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he was subject to an overnight delay on a connecting flight. The Complainant did reach his final destination and the trip was not cancelled.

Analysis

I accept that the circumstances of the Complainant's travel insurance claim, where he encountered a delay on his connecting flight, did not come under the "Cancelling your trip" section of the Travel Insurance Policy.

Cancellation coverage reimburses a person for pre-paid, non-refundable expenses if the insured person needs to cancel the trip before they depart on their trip. Here the Complainant went on his trip, and it was when he was trying to make a connecting flight to his destination, that the delay occurred.

As regards the Complainant's claim for the full amount stated on the Travel Insurance Certificate (Stg£2,000 for Cancellation), I accept that an Insurance Certificate cannot be read as a stand alone document and that an interpretation of the Certificate cannot be made without reference to the terms and conditions set out in the policy document.

In this regard I accept that the Provider clearly advised the Complainant on the Travel Insurance Certificate to: *"Please ensure that you familiarise yourself with the policy terms and conditions"*.

I accept that the Travel Insurance policy is clear regarding the maximum amount that can be paid for the covered events. The Table of Benefits set out in the Policy Document clearly states: **"Sum Insured up to"** and then sets out the maximum monetary amount that could be paid.

The Provider states that there is no cover for delay to connecting flights provided by this policy. It is the Provider's position that this is clearly and explicitly detailed in the policy wording. The Provider submits that the delay cover only applies in respect of flights departing to and from the UK, namely if the Complainant's final international departure from or to the UK is delayed for more than 12 hours. The Provider states that had the Complainant's claim been eligible under the Travel Delay section, a payment of £20.00 per 12 hour delay applies, and therefore a payment of £40.00 (only) would have been the total amount payable had the claim met the policy criteria.

I accept that the Complainant's claim did not fall to be decided under the Travel Delay section of the travel insurance policy.

It is unfortunate that the Complainant not only suffered financial loss, but the family event he was travelling to, had to be rearranged as a result of this flight cancellation. However, insurance policies do not offer unlimited cover, either for what may be claimed or for how much will be paid by a Provider. Likewise, I accept that just because something is not

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specifically excluded in the policy, does not mean that it is included. I accept that here there was no cover specifically included for delays to connecting flights.

For the reasons outlined above this complaint is not upheld.

Conclusion

- My Decision pursuant to **Section 60(1)** of the **Financial Services and Pensions Ombudsman Act 2017**, is that this complaint is rejected.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.



GER DEERING
FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

15 July 2021

Pursuant to Section 62 of the Financial Services and Pensions Ombudsman Act 2017, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

- (a) ensures that—**
 - (i) a complainant shall not be identified by name, address or otherwise,**
 - (ii) a provider shall not be identified by name or address,****and**
- (b) ensures compliance with the Data Protection Regulation and the Data Protection Act 2018.**