



An tOmbudsman Seirbhísí
Airgeadais agus Pinsean
Financial Services and
Pensions Ombudsman

FSPO publishes Digest of Decisions on travel insurance complaints

Take the time to understand your travel insurance policy

28 February 2022: The Financial Services and Pensions Ombudsman (FSPO) has published a [Digest of Decisions](#) on travel insurance complaints. The Digest features a selection of 20 decisions which were issued across the years 2018 – 2021, following complaints concerning travel insurance made to the FSPO. The decisions, and the circumstances leading to the complaints, highlight important factors for consumers to consider if buying travel insurance and how claims were dealt with by the insurer.

Commenting on the publication of the Digest, the Financial Services and Pensions Ombudsman (Acting), MaryRose McGovern, said:

“Consumers buy travel insurance to provide some protection if things go wrong. We all hope we will never be in the position where we need to make a claim on a travel insurance policy, but if things do go wrong, we want to be sure that the policy provides the cover we expected. With all financial products, it is so important to understand what you are buying and to be aware that not all insurance policies are the same. Some of the decisions in this Digest highlight that the consumer believed they had cover under their travel insurance policy for certain events or circumstances, only to make a claim that was refused. If you are making holiday plans for this year and thinking about taking out a travel insurance policy, I would urge you to take some time to ensure that any policy provides the cover you expect.

Many of the complaints in this Digest concern circumstances where policy holders cancelled their holiday arrangements due to medical issues. With travel insurance policies, it is very important to be aware that cancellations arising from medical conditions that existed before the policy was taken out, may not be covered. In addition, some people may not be aware of the potential impact of medical investigations that are not disclosed at the time the policy is purchased. These decisions highlight an important point, that if you have a medical condition, undiagnosed medical complaint or are undergoing medical investigations at the time you take out a travel insurance policy, you must inform your insurer so that it can determine whether it has any effect on your policy cover.

In a number of decisions contained in this Digest, it is clear that the clarity of the wording of policy provisions, could be improved. Insurers need to ensure that the terms and conditions of a policy are clear, comprehensible and as easy as possible for their customers to negotiate. Better clarity would serve policy holders well and potentially lead to fewer complaints arising from claims not being admitted, or a misunderstanding of the policy cover.”

The Digest highlights the wide range of issues giving rise to complaints concerning travel insurance and the difficult circumstances leading to those complaints. Some examples of directions made by the Ombudsman in the decisions published include:

- Direction to pay the claim from a policy holder who missed his flight by 5 minutes as his rental car would not start when he went to leave for the airport. The insurer was of the view that the policy holder had failed to allow sufficient time to account for “possible delays”, but the policy wording did not refer to “possible delays” and instead referred to “delays which are expected”. The decision noted the significant distinction between the two definitions and that there was no evidence that the delay should have been expected.
- Direction to pay a claim and make an additional compensatory payment of €500 to a couple whose rental vehicle in Spain was broken into and items were stolen from the boot. The travel insurance company declined the couple’s claim on the basis that their travel insurance policy did not provide cover for the loss, theft of, or damage to valuables left unattended at any time, including those left in a motor vehicle. The policy also contained a provision that baggage contained in an unattended vehicle would not be covered, unless in a locked boot. The wording of these opposing and conflicting exclusion clauses created a confusing situation making it nearly impossible for a policyholder to understand whether or not they would be covered.
- Direction to pay €600 in compensation to a policy holder whose backpack was stolen from an overhead locker in the cabin, during a flight. The policy holder’s claim was rejected on the grounds that her personal possessions were not kept “on her person” but there was no definition of “one’s person” in the policy itself. The decision noted that the clauses in the insurance company’s policy were potentially confusing and while there was no obligation to exhaustively set out all of the circumstances where a claim would be declined, a consumer may reasonably expect the most relevant circumstances to be included and explained.
- Direction to pay a claim amounting to just over €600 to a policy holder whose flight was cancelled due to an air traffic control strike in France. The policy holder booked an alternative flight home from France and his claim for the cost of the alternative flight was refused by the insurer on the basis that he had prior knowledge of the possible disruption of his travel plans, due to air traffic control disputes in France. The Ombudsman concluded that even if the policy holder had been aware of reports of disruptions, he would have had difficulty knowing whether or not his particular flight would be cancelled on the date in question. The decision also noted that the insurance company’s submissions made reference to strike action being “announced” rather than “forecast”, as set out in the policy and that as neither word was defined in the policy, it was unclear how the insurer would establish if a strike has been “forecast”.

Ms. McGovern added, *“The decisions in this Digest highlight the difficult circumstances leading to the complaints made to this Office. Matters concerning illness, cancellation of much-anticipated holiday plans and thefts while abroad are difficult events for the people concerned. Two of the decisions in the Digest concern circumstances where Covid-19 had an immediate impact on people who were travelling at the time of the outbreak. Travel insurance policies will not cover you for every eventuality, so it is worth taking some time now, while making holiday plans, to consider your insurance needs. Crucially, many of these decisions highlight circumstances where the complainant cancelled their holiday. In order to ensure that you have cover for cancellation in certain circumstances, you should take out your policy as soon as you book your holiday. Buying insurance just before you go may give you cover for events and circumstances while abroad, but may not provide you with any protection if you need to cancel your holiday plans.”*

In addition to publishing the Digest of Decisions, the FSPO’s [Database of Decisions](https://www.fspo.ie) on www.fspo.ie now has the full text of almost 1,500 decisions and includes decisions issued up to the end of

October 2021. By publishing legally binding decisions and Digests of Decisions, the Ombudsman aims to enhance transparency and understanding of his powers and the services provided by the FSPO.

The full Database of Decisions can be accessed at <https://www.fspo.ie/decisions/>

Ends

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Tá an OSAP ar fáil le hagallaimh a dhéanamh trí mheán na Gaeilge.

Notes to Editor

- In accordance with Section 10(1)(d) of the Financial Services and Pensions Ombudsman Act 2017 (the Act), Ms. MaryRose McGovern was appointed Financial Services and Pensions Ombudsman (Acting), by the Minister for Finance, with effect from 6 February 2022 until such time as the appointment of an Ombudsman is made, under Section 8(1) of the Act, and for not more than 12 months.
- When the FSPO issues a legally binding decision, that decision is subject to a potential statutory appeal to the High Court within 35 calendar days from that date.
- The FSPO does not publish decisions before the elapse of the 35-day period available to the parties to make a statutory appeal to the High Court.
- Decisions which have been appealed to the High Court are not published, pending the outcome of any such Court proceedings.
- The FSPO publishes a list of active statutory appeals on its [website](#).
- Before any legally binding decision is published by the FSPO it undertakes a rigorous and stringent review to ensure that the non-identification requirements of the Act are adhered to in order to protect the confidentiality of the parties.
- The FSPO deals with complaints informally at first, by listening to both parties and engaging with them to facilitate a resolution that is acceptable to both. Informal mediation allows a faster resolution. When these early interventions do not resolve the dispute, the FSPO investigates the complaint and subsequently issues a decision that is legally binding on both parties, subject only to an appeal to the High Court.
- The Ombudsman can direct a financial service provider to pay compensation of up to €500,000 to a complainant and/or to rectify the conduct that is the subject of the complaint. There is no limit on the value of the rectification that can be directed.
- Decisions issued by the Financial Services and Pensions Ombudsman are legally binding on both parties and can only be appealed to the High Court. Decisions are available at www.fspo.ie/decisions