

Ombudsman Decision**CIFO Reference Number: 25-000245****Complainant: Mr Y****Respondent: MJ Touzel (Insurance Brokers) Limited t/as Islands Insurance**

The complainant, Mr Y, complains about the cancellation of a travel insurance policy, a lack of support and inertia, and that he was sold a policy with one insurer by MJ Touzel (Insurance Brokers) Limited t/as Islands Insurance. I will refer to Islands throughout this decision as that is the entity Mr Y dealt with.

Background

Mr Y held a travel insurance policy for several years, and it has renewed annually. At each renewal he disclosed ongoing medical conditions. At renewal in 2024 Mr Y says an oversight on his part meant he failed to re-disclose the medical conditions. During the latest period of insurance (2024-25) he underwent surgery for a hip replacement, but had a pre-existing booked holiday starting 1 June 2025.

Mr Y called Islands on 28 May 2025 to update his medical disclosure regarding the hip replacement, and it was during this call it became apparent he had failed to go through the insurer's medical declaration for his 2024 renewal. Mr Y advised Islands his holiday was to commence in just a few days, and a telephone appointment was arranged to review his medical conditions. The insurer notified Mr Y on 30 May that an additional premium (around £404) was required.

Mr Y purchased a new policy with a different provider covering all his medical conditions. He notified the insurer that its additional premium was

¹ Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

too expensive and declined it instructing that the policy should remain in place until the end of his holiday and requested a pro rata refund of the premium. He also identified that his policy had car hire excess cover which was why he wanted it to remain in place as the new policy he had bought didn't provide that same cover.

While on holiday he received an email from the insurer saying it had cancelled his travel policy effective 30 May as he hadn't accepted the additional premium. Mr Y called Islands to discuss the matter, but it referred him back to the insurer.

The issues he raised about Islands include:

- Islands should work on his behalf and introduce him to the best and most suitable cover.
- Islands only offered him cover with one insurer.
- Islands should assist him in avoiding underinsurance and overpaying for cover. He found alternative insurance for half the cost albeit the new policy didn't have car hire excess cover.
- Islands didn't act in his best interests.

To put things right Mr Y said Islands should do the following:

- Provide a pro rata premium for the period the policy was in place (up to 30 May).
- Compensation for the arbitrary cancellation of the policy without his consent.

My initial findings

Islands sent Mr Y an email on 23 August 2024 inviting him to renew his travel insurance policy. It was clear the policy remained with the same insurer. The email made it clear what Mr Y needed to do and how. Mr Y hasn't disputed being aware he needed to re-disclose his medical conditions, that he had done this every year, and the renewal invite made it clear what he needed to do. However, his wider point was that as he had previously disclosed these, Islands was aware and should have known.

Islands and the insurer are separate entities, and they have separate roles with his policy. Islands obtain quotes for customers through a portal provided by the insurer, and the insurer offers cover based on what is input. However, the insurer requires proposed policyholders (and renewing policyholders) to make a medical declaration each year, and Islands made this clear in the email it sent inviting renewal. In terms of

Islands role at renewal I was satisfied Islands made it clear to Mr Y what he had to do. Indeed, it was a familiar process to Mr Y as he disclosed at previous renewals. The medical screening is administered directly by the insurer through its portal. Islands seemingly has no part other than to sign-post its customers to what they need to do regarding medical closures.

Mr Y gave information about his hip operation and Islands sent an email on 30 May advising him to contact the insurer and provided the relevant contact details. A separate message came later that day from Islands advising that it had emailed the insurer to contact Mr Y urgently. And Mr Y's email to Islands on 30 May makes it clear he wanted to keep the policy in place and cancel it after his return on 16 June.

Islands requested the insurer to contact Mr Y, and I have seen an email informing the insurer that Mr Y was travelling until 16 June. I note Mr Y had also emailed the insurer saying the additional premium made the policy too expensive and he would be contacting Islands to cancel the policy when he returned on 16 June. Notwithstanding, the insurer made the decision to cancel the policy as of 30 May as the additional premium hadn't been paid. The insurer informed Islands of this and notified Mr Y by email on 5 June. Given Mr Y had made a claim during the insured period, the insurer would not offer a pro rata refund of the premium. The issue of a premium refund lies with the insurer and not Islands.

The decision to cancel the policy was made by the insurer, and so I said I couldn't fairly hold Islands liable for that. I also considered Mr Y's point about being sold a policy underwritten by the insurer. The policy had been with the insurer for several years. The documentation and Islands' website say it only offers travel insurance with one insurer. I couldn't find anything that suggested Islands used a panel of insurers or anything else that was misleading about who underwrote the insurance.

I appreciated this was a frustrating and concerning time given the uncertainty about Mr Y's insurance status at a time when it was important (he was on holiday). Islands made clear the requirements on Mr Y at renewal, and it advised the insurer Mr Y was currently on a trip, but the insurer opted to cancel the policy as Mr Y was unwilling to pay the additional premium for his medical conditions. I don't think there was anything more Islands could have done as it was the insurer that made the decision to cancel the policy. As Islands only used the one insurer for its travel policies it couldn't provide Mr Y with an alternative policy. In any

case, it appeared Mr Y had arranged cover through a different provider to cover his trip but without the hire car excess cover.

Having thought about Mr Y's complaint carefully, I did not recommend it should be upheld. Mr Y told me he had raised a complaint about the insurer with the UK Financial Ombudsman Service and, so, that Service will be able to review the insurer's conduct.

Subsequent submissions

Mr Y replied but it didn't have an influence on my initial conclusions. I summarised his main points as:

- A. Islands sold Mr Y the policy, he expected that it should have stepped in and intervened with an alternative policy.
- B. He believes my conclusions are premature and presuppose the outcome of the UK FOS as if it finds against the insurer Mr Y expects my views on Islands to be impacted.
- C. Mr Y doesn't believe I have reconciled my thoughts with his expectations as Islands' customer. This is because he expected his broker to sell a policy that is suitable for his needs.
- D. He expects Islands to ensure he doesn't overpay for cover, and that he is not underinsured, but it failed on both counts. Mr Y evidenced this by the fact he obtained a policy at 50% of the cost (minus hire car excess cover).
- E. Mr Y asks why the quote was backdated to the commencement of the policy, when his hip surgery only occurred in April 2025 and the policy started in September 2024.
- F. He does not accept it was acceptable to cancel his policy with effect 30 May 2025, knowing he was away on 1 June to 16 June, and only informed him on 5 June.
- G. Mr Y believes Islands is in breach of its fiduciary duty.

Why Mr Y's submissions didn't persuade me to change my view.

For ease of reading I will use the 'alpha' bullet points above in my explanation:

- A. I explained in my initial conclusion that Islands does not use a panel of insurers in placing travel insurance. It only uses one and that is clear on its website, and it only offers two types of cover – single trip or annual multi-trip. The only cover it could offer was with the one

insurer and it wasn't under a regulatory obligation to search the market for an alternative provider.

- B. The insurer and Islands are in different jurisdictions with different regulatory regimes. My review has not gone into the rights or wrongs of the insurer because the Channel Islands Financial Ombudsman has no legal right to do so. The UK FOS will determine any issues raised about the insurer, but the UK FOS has no remit to consider the actions of Islands. As the insurer and Islands are different companies, in different jurisdictions and with different regulatory rules and requirements, it's simply not realistic or accurate to say either my findings impact UK FOS, or UK FOS findings impact my review.
- C. Customers of any business or public service have expectations and so it is not a surprise that Mr Y had expectations of Islands. He held travel insurance through Islands and the insurer for several years. The policy Insurance Product Information Document (IPID) gave an overview of the type of insurance and a summary of 'what is insured?' A summary is also specified in the policy schedule. Islands did not give Mr Y advice about the type of policy and so it wasn't giving a specific recommendation. Mr Y chose the policy, and he hasn't specified why it wasn't suitable for his needs, and I'm satisfied it met the needs of someone who wanted travel insurance for one year. Again, Islands did not recommend or advise him and so I do not agree the policy wasn't suitable for his needs.
- D. I come back to point that Islands only sells travel insurance with one insurer, and it is the insurer that sets the price of the policy. The fact Mr Y was able to obtain travel insurance at a lower price doesn't mean Islands failed to provide him with a reasonable service. Price variation across the insurance industry is a matter of commercial interest and a feature of an open market. I note the subsequent provider Mr Y obtained a policy from, only offers quotes from a limited number of insurers – three or fewer. I do not hold Islands responsible for Mr Y believing he overpaid as the insurer set the price and insurance premiums vary. There is no regulatory requirement for Islands to get Mr Y the lowest price.
- E. The issue of backdating the additional premium is one for the insurer, not Islands. Mr Y made his medical declaration to the insurer, and it decided what additional premium he was required to

pay and from when. As such, I'm not holding Islands responsible for this.

- F. The insurer was the entity that made the decision to cancel Mr Y's policy – I'm not holding Islands responsible for this.
- G. It is a high bar to establish a fiduciary relationship, and Mr Y had not provided anything to show that on balance, he was in a fiduciary relationship with Islands. Notwithstanding, the Jersey regulations do require Islands to act with due skill, care, and diligence to fulfil the responsibilities it has undertaken, and communicate information in a way that is adequate, fair and not misleading. Without rehearsing what I've already said, Mr Y bought travel insurance from Islands only used one insurer. Islands gave Mr Y adequate information at renewal, and he overlooked his medical declaration. The insurer conducts the medical screening and Mr Y was required to give details to the insurer. Islands informed him how he could do that, and indeed he had done that annually, but unfortunately overlooked the declaration in 2024.

For the reasons explained, I still was not minded to uphold Mr Y's complaint against Islands.

Mr Y advised me that he still disagreed and so the matter was to proceed to a final decision.

Findings

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

I don't intend to repeat the conclusions I reached previously and which I have set out earlier in this decision. The factual matrix has not changed and in summary it remains the case that the crux of what Mr Y is unhappy with Islands about concerns:

- Selling him a policy with the one insurer.
- His policy being cancelled.
- Islands not playing more of a role with his medical disclosures.
- Islands not acting in his best interests.

I remain satisfied that Islands didn't have a regulatory requirement to obtain insurance through a panel of insurers, and it made it clear the cover it did sell was only through the one insurer.

Islands did not cancel Mr Y's travel policy, this was done by the insurer. Islands informed the insurer Mr Y was travelling and indeed requested the insurer contact him. Islands had no authority to prevent the insurer cancelling Mr Y's policy and as it only obtained travel insurance through one provider it couldn't obtain Mr Y alternative cover. In any case, Mr Y had already arranged this.

Regarding the medical disclosures, Islands provided Mr Y with a renewal invite which clearly set out what he needed to do, including around medical disclosures. Indeed, Mr Y understood this and had done so in previous years. The medical disclosures were conducted with the insurer, not Islands. And it was the insurer that decided what the additional premium should be, not Islands.

Islands had an obligation to act with due skill, care, and diligence to fulfil the responsibilities it has undertaken, and communicate information in a way that is adequate, fair and not misleading. I remain satisfied that Islands fulfilled this in Mr Y's case by the clarity in the 2024 renewal and what Mr Y needed to do, its communication with the insurer about Mr Y and his holiday.

Final Decision

For the reasons I have explained, my Final Decision is that I do not uphold this complaint.

Sean Hamilton
Ombudsman

Date: 2 October 2025