

The complaint

Mr and Mrs H have complained that AWP P&C SA have declined to meet a cancellation claim they made under their single trip travel insurance policy.

What happened

When taking out their travel insurance in September 2019 Mr and Mrs H followed the policy guidance and disclosed their pre-existing medical conditions, which were accepted and their policy was endorsed accordingly. They were due to travel abroad in May 2020 and had paid a deposit of over £5000. Due to the onset of Covid-19 in March 2020 Mrs H's general practitioner advised her not to travel because of her underlying lung condition.

Mr and Mrs H followed this advice. They cancelled the holiday on 13 March 2020 and in turn submitted a claim under the policy for their lost deposit. However AWP declined the claim on the basis the reason for cancelling was due to Mrs H's pre-existing health condition and not due to one of the specific cancellation reasons covered by the policy.

Unhappy Mr and Mrs H referred the complaint here. Our investigator recommended that it be upheld as Mr and Mrs H were acting on her doctor's advice not to travel – therefore she wouldn't have been covered if she had travelled.

AWP didn't agree. It said that the general exclusions applied to the policy as a whole but had no bearing on the specific circumstances that it was prepared to cover under each individual section. It maintained that the reason the holiday was cancelled simply wasn't covered under the policy.

As no agreement has been reached the complaint has been passed to me to decide.

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 regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms and conditions of Mr and Mrs H's policy and the circumstances of their claim to decide whether AWP treated them fairly. The facts are not in dispute so I will focus on the reasons for my decision.

Cancellation was covered under Mr and Mrs H's policy but, as is usual in policies of this type, there were limitations on the cover. Under *Section D – Cancellation or curtailment* it said:

'What you are covered for up to £5,000

*Should **you** necessarily have to cancel the projected journey before commencement or curtail it before completion as a result of:*

*The death, accidental bodily injury, illness, compulsory quarantine on the orders of a treating **doctor**, redundancy that qualifies for payment under current redundancy legislation, cancellation of leave for British Forces, police or government security staff, summoning to jury service or witness attendance in a court of **you or your travelling companion**.*

Mrs H's GP had advised her not to travel, but this is not the same as compulsory quarantine on the orders of a treating doctor. So I agree AWP wasn't obliged to meet a cancellation claim under this section of the policy. However, the policy also has several general exclusions. One of these provided that there would be no cover under the medical expenses, personal accident and cancellation/curtailment sections of the policy - *if a doctor had advised you not to travel*.

The advice that Mrs H had received from her GP because of her underlying health condition is not disputed. Her underlying health condition made her prone to respiratory illnesses. This condition had been disclosed to AWP and accepted. So if Mr and Mrs H had gone on their holiday against the medical advice of Mrs H's GP she would have had limited cover and no cover for medical expenses for her disclosed condition if needed. On the other hand if they didn't travel, they would lose out on their deposit.

Mr and Mrs H were therefore left in a very difficult position. I am satisfied that in these circumstances it would be fair and reasonable for AWP to meet their claim for cancellation. Cancellation claims are limited to £5000 in their policy, so I don't require AWP to pay more than this. However this position could have been taken earlier, so I do require AWP to pay interest.

My final decision

My final decision is that I uphold this complaint.

I require AWP P&C SA to

- Meet the cancellation claim by paying Mr and Mrs H £5000
- Pay simple interest on this sum at 8% from the date of claim until the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 16 April 2022.

Lindsey Woloski
Ombudsman