

## **The complaint**

Miss C complains because AWP P&C SA ('AWP') hasn't paid a claim under her travel insurance policy for a trip that was cut short.

All references to AWP include the agents it has appointed to handle claims on its behalf.

## **What happened**

Miss C held a single trip travel insurance policy, provided by AWP. The policy was purchased in October 2019, to cover a multi-country overland trip from November 2019 to October 2020.

Unfortunately, while Miss C was abroad, the UK's Foreign, Commonwealth & Development Office ('FCDO' – formerly the Foreign & Commonwealth Office ('FCO')) advised against all but essential international travel on 17 March 2020 due to the circumstances surrounding Covid-19. On 23 March 2020, the FCDO advised all British travellers who were abroad to return to the UK, and the UK government announced wide-ranging restrictions on movement, commonly referred to as 'lockdown'.

Following these announcements, Miss C cut her holiday short and booked a new return flight to the UK, departing on the evening of 23 March 2020. Miss C subsequently made a claim under her policy with AWP for both her unused and additional costs, but AWP said the terms and conditions of Miss C's policy didn't provide cover for the circumstances she'd found herself in.

Unhappy, Miss C complained to AWP before bringing the matter to the attention of our service. One of our investigators looked into what had happened and said, although Miss C's claim wasn't covered under the terms and conditions of her policy, she thought it would be fair and reasonable in the circumstances for AWP to accept the claim regardless.

AWP didn't respond to our investigator's opinion, so Miss C's complaint has been referred 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.

I'm satisfied that our investigator identified, and set out, the relevant industry rules and guidance which apply to the specific circumstances of this case. The investigator also highlighted, and referred to, the key documents which are relevant to this complaint.

### The policy documentation

Page 2 of the Insurance Production Information Document ('IPID'), which summarises the cover available under Miss C's policy with AWP, says:

*'Where am I covered?*

...

*You will not be covered if you travel to a country or region where the Travel Advice Unit of the British Foreign and Commonwealth Office or the World Health Organisation has advised against travel, unless agreed otherwise with the insurer.'*

The policy terms and conditions, at pages 13 and 14 under the heading 'General exclusions' say:

*'The insurer shall not pay (unless agreed in writing by or on behalf of the insurer) for any claim directly or indirectly caused by, arising or resulting from, or in connection with: ...*

*10. You travelling to a country, specific area or event to which the Travel Advice unit of the British Foreign and Commonwealth Office or the World Health Organisation has advised against travel, unless agreed by or on behalf of the insurer.'*

The 'Schedule of cover' set out on page 4 of Miss C's policy terms and conditions says that AWP provides cover of up to £3,000 in the event of curtailment of a trip, subject to the individual sections of cover.

Page 18 of the policy terms and conditions, under the heading 'Section D – Cancellation or curtailment' sets out the cover available if a policyholder has to come home early from their trip. These say AWP will pay for certain non-refundable unused costs if a trip is curtailed for one of the following reasons:

*'1 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.*

*2 The death, serious injury or illness of,  
a a close relative, or  
b the person with whom you intend to reside at the holiday or journey destination, or  
c a dependent business partner;  
of you or your travelling companion which necessitates the presence of the person concerned.*

*3 Hijack.*

*4 Adverse weather conditions making it impossible for you to travel to initial point of departure at commencement of outward journey.*

*5 Major damage or burglary at your home or place of business which at the request of an emergency service requires your presence.'*

I've thought about the reason why Miss C cut short her trip. I don't think this was because Miss C was told by a treating doctor that she needed to quarantine. Instead, Miss C said the reason her trip was cut short was because of a combination of the FCDO advice to return home, lockdown and travel restrictions imposed by various governments as a result of the circumstances surrounding Covid-19. I'm satisfied that these were the reasons which led to her claim.

These aren't reasons which are covered under the terms and conditions of the curtailment section of Miss C's policy, as they are not specific or listed insured events. I've also reviewed the remaining sections of Miss C's insurance policy, but I don't think she held any cover which would pay a benefit in the circumstances she found herself in. This means Miss C's claim isn't covered under the terms and conditions of her policy with AWP.

#### What's fair and reasonable in all the circumstances

However, I have an overriding remit to make a decision based on what I think is fair and reasonable in all the circumstances of a case. I've taken into account the relevant law and industry guidelines and I don't think a strict interpretation of the policy terms and conditions leads to a fair and reasonable outcome in the circumstances of this case.

When Miss C cut short her trip, the FCDO had already advised against all non-essential international travel and the FCDO was also advising all British travellers who were abroad at the time to return to the UK.

The policy exclusion outlined on page 13 and 14 of the terms and conditions excludes cover under any section of the policy if a policyholder travels to a country against FCDO advice. Based on the information I've seen, I think this exclusion means it's most likely that Miss C wasn't covered by the policy terms and conditions for any onward travel to the next country on her overland trip after 17 March 2020 and/or 23 March 2020.

But, under the terms and conditions of Miss C's policy, curtailment of a trip due to changes in FCDO guidance also isn't covered. This means Miss C was left in a situation where she had no cover for her onward travel abroad after 17 March 2020/23 March 2020, but she also had no cover if she cut short her trip. I don't think this was made sufficiently clear to Miss C in her policy documentation.

Miss C would need to have read the full policy terms and conditions in order to understand that this set of circumstances wasn't covered. And, I don't think this information was brought to her attention in a prominent and transparent way. So, I don't think the combined effect of the policy terms were made sufficiently clear to her.

I think this created a significant imbalance in the rights and interests of Miss C and AWP. I think it's unlikely Miss C would have purchased this policy if she had realised there was no cover if FCDO guidance changed after she bought the policy and/or commenced her trip. And, I'm satisfied that travel insurance policies which did cover curtailment claims arising from changes to FCDO advice were available on the market at the time Miss C bought this policy in October 2019. So, I think it's likely Miss C would have been able to buy alternative insurance which did cover the circumstances she ultimately found herself in.

I therefore think it would be fair and reasonable in the circumstances for AWP to accept Miss C's claim outside of a strict application of the policy terms and conditions.

#### **Putting things right**

I direct AWP P&C SA to treat Miss C's claim as covered under the curtailment section of her policy.

AWP P&C SA should therefore assess Miss C's claim under the remaining terms and conditions of her policy, including any applicable policy excess and/or policy limit.

**My final decision**

I'm upholding Miss C's complaint against AWP P&C SA and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 14 March 2022.

Leah Nagle  
**Ombudsman**