

## **The complaint**

Mr and Ms G complain about the way AWP P&C SA has handled their travel insurance claim.

## **What happened**

In July 2019, Mr and Ms G took out an annual multi-trip travel insurance policy, this was underwritten by AWP. They booked a trip abroad, departing on 9 March 2020.

On 17 March 2020, the UK's Foreign, Commonwealth & Development Office ('FCDO' – formerly the Foreign & Commonwealth Office ('FCO')) advised against all but essential travel abroad due to the Covid-19 pandemic. Subsequently, on 23 March 2020, the FCDO instructed all UK citizens travelling abroad to return home.

Mr and Ms G's original return flight, which was scheduled for 26 March 2020, was cancelled by the airline and so they had to purchase new airline tickets to come home. These new flights meant they came home three days earlier than planned. Upon their return to the UK, Mr and Ms G submitted a claim for their expenses to AWP.

AWP refused the claim. It referred to the policy terms and conditions which state that cover isn't provided for pandemics and, as the Covid-19 outbreak had been declared a pandemic, AWP said the claim wasn't covered.

Mr and Ms G were unhappy with this response. They said that they contacted AWP before making the claim and that they were told that because they travelled before this event was declared as a pandemic, they would be covered. They complained to AWP and brought the matter to our service.

Our investigator looked into the complaint and found that the claim wasn't covered due to the exclusion on the policy relating to costs incurred as a result of a pandemic. So, she didn't think AWP had been wrong to decline the claim. She noted that AWP did give Mr and Ms G incorrect information about the cover under the policy but, as Mr and Ms G would have needed to purchase new flights in order to come regardless of the advice provided, she didn't think it was reasonable to ask AWP to pay these costs. However, she did recommend that AWP pay £200 in compensation for not managing Mr and Ms G's expectations surrounding the claim.

AWP didn't respond to our investigator's opinion, but Mr and Ms G did. They disagreed with what was said, saying they also called AWP from abroad and were told they would be covered. They said that, if they had been told there was no cover, they wouldn't have bought the new flights but would have returned home on free repatriation flights available from the government. As no agreement could be reached, the matter 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 rules and industry guidelines say that insurers must handle claims fairly and promptly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Mr and Ms G's complaint.

*Has the claim been declined correctly?*

The policy provides cover for curtailment – which is when the trip is cut short - for certain listed events. Included in the list of covered events is where you return home as “*The Foreign and Commonwealth Office have advised against travel to your journey destination...*” – so it would seem that cover for this type of event is included under the policy Mr and Ms G purchased.

The policy also contains a list of general exclusions – which apply to all sections of the policy coverage. The relevant part of the policy states that following:

**“GENERAL EXCLUSIONS**

*The following exclusions apply to the whole of your policy:*

**2 Any epidemic or pandemic.”**

The cause of the FCDO advice against travel was the ongoing situation surrounding the Covid-19 outbreak, which was declared a pandemic on 11 March 2020. I'm persuaded that the cause of Mr and Ms G's claim was the pandemic – and this is excluded from cover. So, I'm satisfied that AWP has fairly declined the claim.

*AWP service*

Mr and Ms G contacted AWP before making the claim. They have said AWP told them they were covered for these additional costs. As a result, Mr and Ms G submitted their claim, which was subsequently declined.

I have listened to the call Ms G had with AWP in late March 2020 following their return to the UK and during that call she was told that the pandemic exclusion wouldn't apply to her case as she had travelled prior to the pandemic being declared. I can imagine it was a great relief to hear from AWP that they would be able to consider the claim, regardless of that exclusion. So, I can understand how it would have been quite distressing for Mr and Ms G to then be told that they wouldn't be receiving reimbursement of their costs. AWP should have done more to ensure that it gave correct advice.

Mr and Ms G think they should receive a refund of their additional flight costs. They have told us they also called from abroad and were told they were covered. Mr and Ms G said they would have waited for free government flights if they had been told there wasn't any cover for this cost.

I've noted Mr and Ms G's comments, and I've thought about this point carefully. I haven't been given a copy of the call Mr and Ms G say they made from abroad, so I don't know what was said in this conversation. However, I would point out that the repatriation flights arranged by the UK government were not provided free of charge – Mr and Ms G would still have needed to pay to come home on one of these flights. If they had been advised at this point that there was no cover under the policy, I'm of the opinion they would still have incurred additional costs to return home. Taking this into account, I'm not persuaded that AWP needs to reimburse their additional flight costs.

Our investigator considered that AWP should pay £200 compensation to Mr and Ms G for the poor advice it gave to them and for not managing their expectations. I think that is a reasonable figure based on the distress this situation has caused to Mr and Ms G. And as AWP hasn't provided any response to our investigator's opinion to explain why this shouldn't be awarded, I see no reason to alter that sum.

### **Putting things right**

AWP needs to do the following:

- Pay Mr and Ms G £200 compensation

### **My final decision**

For the reasons stated above, I'm partially upholding this complaint.

AWP P&C SA needs to put things right as detailed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Ms G to accept or reject my decision before 22 March 2022.

Jenny Giles  
**Ombudsman**