

## **The complaint**

Mr F and Miss H are unhappy that AWP P&C SA (AWP) has declined their travel insurance claim. They're also unhappy with the service provided by AWP in the handling of their claim.

Any reference to AWP includes all its agents.

## **What happened**

Mr F and Miss H took out a single trip travel insurance policy on 2 March 2020. The policy started on 15 August 2020 and ended on 29 August 2020 and was underwritten by AWP.

They were due to travel in August 2020 but due to the uncertainty surrounding the Covid-19 pandemic in June 2020, they decided to cancel their trip. They'd paid a deposit towards their holiday and were required to pay the full amount in June 2020.

Mr F and Miss H therefore submitted a claim to AWP for the cost of the deposit they lost. AWP declined the claim. It said Mr F and Miss H cancelled their trip in June 2020 and at the time there was advice in place from the Foreign, Commonwealth and Development Office (FCDO) – formerly the Foreign and Commonwealth Office (FCO) - against all but essential travel to their intended destination. But that advice changed for travelling in August 2020 and the travel ban had been lifted for Mr F and Miss H's dates of travel in August 2020. AWP said there was no cover for claiming the cost of the deposit under the terms and conditions of Mr F and Miss H's policy.

Unhappy with AWP, Mr F and Miss H referred their complaint to this service. Our investigator looked into it. He thought AWP hadn't declined the claim unfairly or unreasonably and didn't uphold this part of the complaint. He recommended however £100 compensation for the delays caused by AWP in handling the claim.

AWP didn't respond to our investigator's opinion, so Mr F and Miss H'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.

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 F and Miss 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.

### **The policy terms and conditions**

I've started by looking at the terms and conditions of Mr F and Miss H's policy as this forms the basis of their insurance contract.

Page 24 of the policy booklet sets out the cover available in the event a trip is cancelled. This says:

**“Section B – Cancelling your trip**

**What you are covered for under section B**

**We will pay up to the amount shown in the table of benefits for:**

1. Travel and accommodation expenses which **you** have paid or have agreed to **pay** under a contract and which **you** have not used and which **you** cannot get back;
2. The cost of excursions (excluding excursions in respect of a cruise, which can be covered under section Q), tours and activities which **you** have paid for and which **you** cannot get back;
3. And the cost of visas which **you** have paid for and which **you** cannot get back.

**Please note:** If payment has been made using frequent flyer points, air miles, loyalty card points or similar loyalty card schemes, settlement of **your** claim will be based upon the lowest available published flight fare for the flight originally booked if they are non-transferable.

**We will provide this cover if the cancellation of **your trip** is necessary, unforeseen and unavoidable as a result of the following.**

1. **You** dying, becoming seriously ill or being injured.
2. The death, serious illness or injury of a **relative, business associate, a person** who **you** have booked to travel with or a **relative** or friend living abroad who **you** had planned to stay with. The incident giving rise to the claim must have been unexpected and not something **you** were aware of when **you** purchased this insurance. Please see General exclusion number 1e and 1f for further details.
3. **You** being made redundant, as long as **you** had been working at **your** current place of employment for a minimum continuous period of two years, and that at the time of booking the **trip** or the date **you** purchased this insurance cover, whichever is earlier, **you** had no reason to believe that **you** would be made redundant. This cover would not apply if **you** are self-employed or accept voluntary redundancy.
4. **You** or a **person** who **you** have booked to travel with being called for jury service (and **your** request to postpone service has been rejected) or attending court as a witness (but not as an expert witness).
5. If the police or relevant authority needs **you** to stay in **your home country** after a fire, storm, **flood**, burglary or vandalism to **your home** or place of **business** within seven days before **you** planned to leave on **your trip**.
6. If **you** are a member of the armed forces or police, fire, nursing or ambulance services which results in **you** having to stay in **your home country** due to an unforeseen emergency or if **you** are posted overseas unexpectedly.
7. If after the time **you** booked **your trip** or purchased **your** policy, whichever is later, the Foreign and Commonwealth Office advises against all (but essential) travel to **your** intended destination and no travel and accommodation expenses are refundable or no alternative **trip** or travel has been offered.”

It's clear that cover is available under Mr F and Miss H's policy if the FCDO advised against all but essential travel. This isn't in dispute.

But the issue is that Mr F and Miss H cancelled their trip in June 2020. While there was a travel ban in June 2020, this had been lifted by the time they were due to travel. On 4 July 2020, the country they were due to travel to, had been added to the list of countries exempt from the FCDO advice against all but essential travel. That meant travel to their intended destination was allowed in August 2020.

So, in terms of the cancellation section of the policy above, in August 2020, there was no advice in place from the FCDO against all but essential travel. As such, there is no cover for the cost of the cancelled trip Mr F and Miss H incurred.

And, had Mr F and Miss H not cancelled their trip in June 2020 and the trip had remained in place, the holiday provider would have been responsible for any loss or providing alternative options. As Mr F and Miss H cancelled their trip of their own volition, under their travel policy's terms and conditions, there is no cover for the situation they found themselves in.

My understanding is that Mr F and Miss H contacted the travel provider and while it was able to offer an alternative date, it couldn't provide the same dates of travel for their whole group. But as they wanted to travel together, they chose to cancel their trip. I do understand the reasons for them doing so, but that doesn't mean that AWP would be responsible for refunding the loss they incurred. The policy doesn't provide cover for such an event. Additionally, the cover would further only be provided in the event that '*no alternative trip or travel has been offered.*' In this case, an alternative had been provided but this wasn't option Mr F and Miss H wanted to take.

In terms of the claim being declined by AWP, in the circumstances of this complaint, I'm satisfied this was fair and reasonable.

#### Service provided in handling the claim

I've looked at the service provided by AWP and expected response times in handling the claim.

I must bear in mind that AWP was dealing with an unprecedented situation at the time and Covid-19 has had a significant impact on the travel insurance industry given the number of customers whose travel plans were impacted by the disruption to travel. And so, I don't think it's unreasonable that this had some impact on their normal levels of service.

However, I appreciate that AWP took longer than expected, even after bearing in mind the overall impact due to Covid-19. AWP didn't respond in the expected timescales and Mr F and Miss H had to chase AWP for updates.

AWP provided their response to the claim initially in November 2020. But following that, Mr F and Miss H didn't receive the next response until March 2021 which was AWP's final response to their complaint. I think this is outside of the expected timescales and even if I take into account that there was an overall impact because of the unprecedented situation, I don't think this was acceptable customer service. Delays were caused and communication was poor, which I think were avoidable. I think £100 is a fair compensation for the delays caused in the circumstances of this complaint.

#### Conclusion

Overall, taking everything into account, I'm not persuaded that AWP declined the claim unfairly or unreasonably. I don't think there are any reasonable grounds upon which I could fairly ask AWP to do this.

And in terms of the service AWP provided, I direct it to pay £100 compensation for the delays caused and the lack of communication in handling the claim.

#### **Putting things right**

I direct AWP to pay £100 compensation for the handling of the claim.

**My final decision**

For the reasons given above, I partially uphold Mr F and Miss H's complaint against AWP P&C SA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Miss H to accept or reject my decision before 25 May 2022.

Nimisha Radia  
**Ombudsman**