

## **The complaint**

Mrs P complains that AWP P&C SA declined her travel insurance policy claim. My references to AWP include its agents. A member of Mrs P's family represents her in this complaint.

## **What happened**

Mrs P had travel insurance through her bank account, insured by AWP. She and her friend, who was insured separately, were due to go on holiday abroad from 15 February 2022 to 5 March 2022.

On 14 February 2022, the day before she was due to travel, Mrs P went to a government approved Covid-19 testing clinic as the airline she was travelling on required her to provide a negative Covid-19 test. Mrs P had a supervised antigen test (a lateral flow test) and tested positive for Covid-19. The same day she contacted AWP about cancelling her trip and she says she was told she could support her claim with her positive antigen test.

When Mrs P submitted her claim for her trip cancellation AWP declined the claim. It said the policy terms required 'medical certification' of her illness and as Mrs P didn't have a Covid-19 PCR test to show her positive diagnosis there was no cover for her claim. AWP apologised it hadn't told Mrs P she needed to provide a PCR test when she first called about the cancellation.

Mrs P complained to us. She wanted AWP to pay her claim, which is for half the total holiday cost, and compensation for her distress and inconvenience that AWP caused by not paying her claim.

Our investigator said AWP unfairly declined the claim. He recommended AWP pay the claim in line with the remaining policy terms and conditions but it didn't need to also pay compensation to Mrs P.

Mrs P accepted our investigator's recommendation. AWP didn't accept and wants an ombudsman's decision. It said the policy terms required a medical certificate from a doctor to confirm the policyholder wasn't fit to travel and it wouldn't accept a Covid-19 positive antigen test result as that was 'self reporting'.

## **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 industry relevant rules say that insurers must deal with a claim promptly and fairly and they mustn't decline a claim unreasonably. I think AWP unreasonably declined Mrs P's claim. I'll explain why.

The policy says AWP will pay for irrecoverable unused travel and accommodation costs (including excursions and other pre-paid charges) which Mrs P paid or contracted to pay together with any reasonable additional travel expenses, due Mrs P's illness, which includes being diagnosed with Covid-19.

The policy also says AWP requires:

*'a medical certificate from a doctor to confirm that you or your travelling companion are not fit to travel ...'*

And:

*'We may not pay your claim if you do not... provide all information and assistance that we may reasonably require at your expense (including, where necessary, medical certification).'*

AWP said it would have accepted a Covid-19 positive PCR test instead on the strict policy requirement of a doctor's medical certificate. The reason it gave for not accepting a Covid-19 positive antigen test is that would be self reporting by a policyholder. I accept there may be circumstances where a self-reported Covid-19 positive antigen test may not be sufficient evidence in support of a cancellation claim. But in this case Mrs P provided a letter from a government approved Covid-19 test clinic, signed by the Head of Nursing & Clinical Services, which confirmed Mrs P had a Covid-19 positive antigen test at the clinic on 14 February 2022.

So Mrs P didn't self report her Covid-19 positive test result, the test was done and result reported by medical services from a government approved Covid-19 test clinic, which I think was independent testing and reporting.

The test clinic's letter to Mrs P did say she should also get a PCR test but from my own research I'm satisfied that a test clinic's false Covid-19 positive antigen test is unlikely. Also AWP accepts that when Mrs P first spoke to it about claiming for her trip cancellation it didn't tell her it required her to provide a PCR test as well as her positive antigen test, and I think it would have been reasonable for AWP to have told her in that call. If at that time AWP had told Mrs P she needed to provide a PCR test, I'm satisfied it's more likely than not that she would have been able to provide a Covid-19 positive PCR test as well as her clinically tested positive antigen test.

Under a strict interpretation of the policy terms a medical certificate is required to support Mrs P's claim. But in these particular circumstances I think it's fair and reasonable for AWP to accept the letter from the government approved clinic that Mrs P had a positive Covid-19 antigen test to be sufficient medical evidence that she was Covid-19 positive. The fair and reasonable outcome is for AWP to pay Mrs P's claim in line with the remaining policy terms and conditions plus interest as I've detailed below.

Mrs P initially asked AWP to also pay her compensation for her distress and inconvenience. She accepted our investigator's recommendation that AWP didn't need to pay compensation and for the avoidance of doubt I don't think there's any basis on which I could reasonably say AWP had to also pay compensation.

### **Putting things right**

AWP must pay Mrs P's claim in line with the remaining policy terms and conditions plus interest as I've detailed below.

### **My final decision**

I uphold this complaint and require AWP P&C SA to pay Mrs P's claim in line with the remaining policy terms and conditions plus interest\* at 8% simple a year from the date of the claim to the date of settlement.

\*If AWP P&C SA considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mrs P how much it's taken off. It should also give Mrs P a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 28 February 2023.

Nicola Sisk  
**Ombudsman**