

The complaint

Mr and Mrs A complain about how AWP P&C SA dealt with a claim against their travel insurance policy. Reference to AWP includes its agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, in November 2021, Mr and Mrs A bought a single trip travel insurance policy underwritten by AWP. The policy was for a family trip to the USA departing on 16 December 2021 and returning on 4 January 2022.

On 3 January 2022, Mrs A tested positive for Covid-19. Mr and Mrs A say that one of the children also tested positive for Covid-19. The family couldn't return to the UK as planned. Mr and Mrs A contacted AWP to make a claim against their policy. AWP paid for additional accommodation and the return flights were rearranged. Mr and Mrs A and family returned home on 15 January 2022.

Mrs A completed a claim form in which she claimed for additional car hire and car parking costs. She didn't hear from AWP and contacted them several times with no satisfactory response.

AWP didn't provide this service with the information we asked for so one of our investigators looked at what had happened on the basis of the information provided by Mr and Mrs A. The investigator said that AWP is required to handle claims promptly and fairly and hadn't done so here. She said that AWP should consider Mr and Mrs A's claim as soon as possible, pay interest on any claim settlement from the date of the claim and pay compensation of £150 in relation to Mr and Mrs A's distress and inconvenience.

Mr and Mrs A accepted the investigator's recommended outcome. AWP didn't provide its response. As there was no agreement between the parties, the complaint was passed to me to decide.

In October 2022, AWP sent Mrs A its belated response to her complaint. It apologised for the delay in assessing the claim. AWP said that it had paid Mrs A £753.57 on 9 September 2022, which it said was the amount of the claim (£803.57) less the excess due under the policy (£50). Mrs A said she hadn't received the payment and that she was also seeking compensation because of the delay in dealing with her claim.

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 guidance say that AWP has a responsibility to handle claims promptly and fairly. It's common ground that AWP delayed in dealing with Mr and Mrs A's claim. Based on what I've seen, Mrs A made the claim soon after she returned to the UK in

early 2022. There was no substantive response until October 2022. That delay no doubt caused Mr and Mrs A distress and inconvenience as they were put to the trouble of chasing AWP. And they were kept out of the use of their money.

In its e-mail to Mrs A in October 2022, AWP said that it had sent the settlement amount to Mrs A, but Mrs A said she hasn't received it.

In the circumstances, I think that AWP should either produce evidence to show that it has paid the settlement amount to Mrs A's nominated account or pay Mr and Mrs A the amount they are due under the claim. In addition, AWP should pay interest on the settlement at the simple rate of 8% per year, from the date of the claim to the date of payment.

AWP's delay in dealing with Mr and Mrs A's claim caused them distress and inconvenience in that they had to contact AWP several times and didn't receive satisfactory responses. So, AWP should also pay Mr and Mrs A compensation of £150 in relation to their distress and inconvenience.

Putting things right

In order to put things right, AWP should:

- Produce evidence to show that it has paid the settlement amount to Mrs A's nominated account or pay Mr and Mrs A the amount they are due under the claim.
- Pay interest on the settlement at the simple rate of 8% per year, from the date of the claim to the date of payment.
- Pay Mr and Mrs A compensation of £150 in relation to their distress and inconvenience.

My final decision

My final decision is that I uphold this complaint. I now require AWP P&C SA to take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr A to accept or reject my decision before 6 January 2023.

Louise Povey
Ombudsman