

The complaint

Mr and Mrs S are unhappy that AWP P&C SA declined a claim they made under their travel insurance policy.

What happened

Mr and Mrs S had travel insurance, with AWP, through their packaged bank account. The policy provided cover to them, for various pre-departure and post-departure risks.

Mr and Mrs S were due to go on a cruise on 26 May 2022. But they've explained they had to cancel their trip. This being because Mr S had tested positive for Covid-19 on 16 May 2022, and shortly after, on 23 May 2023, Mrs S tested positive for the virus. Mr and Mrs S said the positive tests in the 14 days preceding their trip meant they were unwell. And, if the cruise provider wouldn't allow them to travel.

Mr and Mrs S said they tried to gain a refund for their trip from the cruise provider. But this was unsuccessful. They've said the cruise company's terms and conditions didn't provide for a refund in the case of Covid-19 diagnosis. The cruise carrier offered for them to use the funds towards another cruise. But Mr and Mrs S said the cruises offered were around 30% more expensive than their original one. So, it wasn't possible for them to take this option.

Because of this, Mr and Mrs S made a claim under their travel insurance policy. They were claiming the cost of the cruise – which was £5,590 – less the applicable excess on their policy.

AWP considered Mr and Mrs S' claim and declined it. AWP said the policy did provide cover for cancellation where Mr and Mrs S were ill. But said in order for the claim to be paid Mr and Mrs S needed to provide a medical certificate from a doctor to confirm they weren't fit to travel. And, as they hadn't provided a medical certificate, it wasn't able to settle the claim.

In addition to this, AWP said the policy did also provide cover for cancellation due to the need to quarantine, where ordered or required by a government or public authority. But AWP said the UK had lifted its quarantine requirements in February 2022, and so this didn't apply to Mr and Mrs S' claim. And so, it couldn't settle the loss under this event either.

Mr and Mrs S didn't consider AWP's position to be fair. They didn't think it was fair to be told a lateral flow test and confirmation email from the NHS wasn't enough for settlement of the claim. They didn't think it was fair for AWP to ask for a PCR test, when this wasn't mentioned in the policy, or a doctor's note when there was no mention of this on the insurer's website FAQs.

AWP maintained its position on the matter. As Mr and Mrs S remained dissatisfied, they referred their complaint to this service for an independent review.

Our investigator considered this complaint and thought it should be upheld. They didn't consider it fair and reasonable for Mr and Mrs S' claim to be declined on the basis that they didn't have a doctor's note saying they were unfit for travel.

Mr and Mrs S accepted our investigator's findings. AWP didn't reply.

As AWP didn't reply, this 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.

Having done so, I've decided to uphold this complaint, and require AWP to reassess Mr and Mrs S' claim, in line with the remaining terms and conditions of the policy. I've explained why below.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether AWP acted in line with these requirements, when it declined to settle Mr and Mrs S' claim.

I've also reviewed Mr and Mrs S' policy documentation, to see what cover their policy provides. On doing so, I can see the policy does provide cover for cancellation of a trip, in certain circumstances. One of those circumstances is the illness of the policyholder, and this includes diagnosis of Covid-19. Other circumstances include the policyholder needing to quarantine by order of the government. Or being refused boarding on booked public transport by the carrier where the policyholder or travelling companion is displaying symptoms of a contagious disease – including Covid-19.

Mr and Mrs S couldn't go on holiday because on 26 May 2022, because they had tested positive for Covid-19. I've seen the NHS track and trace documents for both parties, confirming that they had the virus, and that these results went through to Mr S' GP. So, I'm satisfied Mr and Mrs S were ill, and this meant they were unable to travel.

I'm aware there was no requirement by the government to quarantine – rather there was advice to try and stay at home and avoid contact with people. But I've seen information from the cruise company that shows Mr and Mrs S would have been denied boarding of the ship. This is included in the cruise carrier's terms and conditions document. And the frequently asked questions document from the carrier notes a diagnosis of Covid-19 within 14 days of the cruise would mean Mr and Mrs S were unable to travel.

Given this, I'm satisfied there were insured events that applied to Mr and Mrs S' cancellation claim. These being Mr and Mrs S' illness. And, whilst Mr and Mrs S weren't denied boarding because they didn't actually travel to the ship, I think it's fair to say they would have been turned away. So, I'm satisfied Mr and Mrs S have shown insured events have occurred.

AWP has however said that whilst Mr and Mrs S has shown an insured event occurred (their illness) there is a condition in the policy which Mr and Mrs S haven't met, and which means the claim isn't payable. The condition AWP are referring to one which says:

*"In addition to the 'General claims information required' shown under the 'Making a claim' section on page 19, where appropriate, **you** must also provide **us** with:*

(...)

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

AWP has said Mr and Mrs S haven't provided a medical certificate. And I accept this was case. So, I've thought about whether AWP has acted fairly and reasonably in relying on this condition to decline the claim. And I don't think it has.

The above condition doesn't specify that a medical certificate should be given in all cases. Just where appropriate. 'Where appropriate' isn't explained. So, I think the policy provides an element of flexibility in terms of when the provision of a medical certificate will be needed to progress a claim.

I think this case is one in which an element of flexibility is fair and reasonable. I say this because Mr and Mrs S have provided other, persuasive evidence of them testing positive for Covid-19, and therefore meeting the policy terms. Mr and Mrs S have shown positive lateral flow tests for the virus. The policy doesn't say a lateral flow test is insufficient to show a positive result. So, I take this to be a valid testing method to show their diagnosis.

And both Mr and Mrs S registered their positive test results with the NHS, evidence of which has been provided. I've also seen Mr S' GP records, which he has accessed online. And these show positive test results registered with the GP, with dates those tests were taken – which were in the 14 days preceding the planned trip. I don't think a medical certificate would show anything different or additional to the above. And so, I think AWP acted unfairly in not accepting Mr and Mrs S' claim for cancellation due to illness, on the basis of the information supplied.

As an aside, I've mentioned that another peril seems likely to apply in this case too. This being the one around being denied boarding where Mr and Mrs S had symptoms of a contagious disease such as Covid-19. I can't see that the medical certificate would add anything additional in showing that Mr and Mrs S would have been denied boarding of the ship. I don't think it would have been fair and reasonable to expect them to travel to the ship, only to be denied boarding, which they already knew would happen. Mr and Mrs S followed NHS advice – which didn't require them to self-isolate but did advise them to limit contact as much as possible. So, I think they have acted fairly in showing this peril applies too.

My final decision

Given the above, my final decision is that I uphold this complaint. I require AWP P&C SA to reassess Mr and Mrs S' claim, in line with the remaining terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 16 March 2023.

Rachel Woods
Ombudsman