

The complaint

Ms C and Mr D have complained that AWP P&C SA have refused to pay anything in settlement of their claim under their travel insurance policy.

What happened

The details of this complaint are well known to the parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my decision.

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 agree with the conclusions reached by the investigator for these reasons:

- B is required to handle claims promptly and fairly as set out in ICOBS 8.1.1.
- Ms C and Mr D's policy covers the loss of personal belongings whilst they are on a trip. And Mr D lost his backpack whilst they were on a trip.
- Ms C and Mr D complied with the policy condition requiring them to report the loss of the backpack to the police within 24 hours.
- Mr D has provided a credible explanation for why he didn't include all the items that were in his backpack when he reported the loss of it to the police originally and when he registered his claim. So, I think he's done enough to establish he and Ms C have a valid claim under their policy with AWP for the items in the backpack when it was lost.
- So I don't think AWP should have refused to pay for all the items Ms C and Mr D claimed for other than the backpack. So I think AWP should settle Ms C and Mr D's claim for the remaining items.
- As AWP's unfair decision to turn down the claim has left Ms C and Mr D without funds they should have had, AWP should pay interest on any amount due to them. This should be from the date AWP turned down the claim, as this is when they should have settled it.

Putting things right

AWP should settle Ms C and Mr D's claim for the remaining items in Mr D's backpack when it was lost in accordance with the claims settlement terms in the policy.

AWP should also pay interest on any amount due to Ms C and Mr D at 8% per annum simple from the date they turned down the claim until the date of actual payment.

If HM Revenue & Customs requires AWP to deduct tax from the interest payment referred to above. AWP must give Ms C and Mr D a certificate showing how much tax it's deducted if they ask them for one.

My final decision

My final decision is that I uphold Ms C and Mr D's complaint about AWP P&C SA and order them to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mr D to accept or reject my decision before 21 March 2023.

Robert Short
Ombudsman