

The complaint

Mr and Mrs J are unhappy that AWP P&C SA (AWP) has declined their travel insurance claim. They also complain that AWP provided poor customer service.

Any reference to AWP includes all its agents.

What happened

- Mr and Mrs J have a travel insurance policy alongside their bank current account. AWP is the underwriter on the policy.
- They went on their family trip on 19 August 2022 and were due to return on 26 August 2022.
- Their flight provider cancelled their return flight on 25 August 2022. There was no further flight availability for the following 11 days with that same flight provider. So, they booked a flight with another provider and returned to the UK on 27 August 2022.
- On the day their flight was cancelled - on 25 August - Mrs J called AWP to find out if they did book a different return flight whether they would be covered on their travel policy for the additional costs of the new flight as well as the extra nights' accommodation. The advisor on the telephone said they would be covered. On that basis, Mr and Mrs J booked the flight with the different provider and they returned to the UK on 27 August 2022.
- The cost of the cancelled flight was refunded to Mr and Mrs J.
- Upon their return, AWP assessed the claim and declined it. It said under their policy terms and conditions, their claim wasn't covered as Mr and Mrs J had to have travelled to their point of departure and checked-in. As the flight was cancelled the day before, there was no cover on their policy for what happened.
- Unhappy with AWP's response, Mr and Mrs J complained. AWP responded and said the claim wasn't covered but it did agree the service could have been better and offered £50 compensation.
- Mr and Mrs J brought their complaint to this service. Our investigator looked into it and upheld it in part. She didn't think their policy covered Mr and Mrs J's extra flight cost. But she thought Mr and Mrs J could have mitigated some of the financial loss they suffered if AWP hadn't led them to think the claim was covered. So, our investigator recommended that AWP pay for the extra nights' accommodation cost as this was fair and reasonable. She also said, in recognition of the poor service that AWP provided, it should pay an additional £150, making it a total of £200 compensation.
- AWP accepted the investigator's recommendation.

- Mr and Mrs J didn't accept the assessment and asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

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 insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly and shouldn't unreasonably reject a claim.

Should the claim be declined?

I've started by looking at the terms and conditions of Mr and Mrs J's travel policy as this forms the basis of their insurance contract with AWP. Page 39 in the policy document sets out the cover available in the case of a 'Travel Delay'. This says:

'What is covered

Travel delay

The benefit provided below is intended to provide compensation if you are delayed at your point of departure and is only applicable if you have travelled there and checked-in. If you have not travelled to your departure point you will not be covered, even if you have checked-in online.

- 1. A delay of your pre-booked public transport resulting in you departing at least 12 hours after your original scheduled departure time; or*
- 2. You being involuntarily denied boarding because there are too many passengers for the seats available and no suitable alternative flight could be provided within 12 hours; or*
- 3. Abandonment of your trip following 12 hours of delay at your first international departure point in the UK;*

We will pay you:

- 1. £30 as a benefit for the first complete 12 hours of your delay, then £20 (up to a maximum of £250) as a benefit for every complete 12 hours of delay after that, if you continue to travel on your trip; or*
- 2. Up to £5,000 for either:*
 - a. The refund your share of the cost of your trip that you cannot claim back from any other source as a result of the abandonment of your trip; or*
 - b. Your reasonable additional travel (including up to £200 for taxis and hire cars) and accommodation expenses, which are of a similar standard to that of your pre-booked travel and accommodation and which cannot be claimed back from any other source, if you have to make alternative arrangements to reach your destination.'*

Mr and Mrs J's flight was cancelled one day before they were due to return. They weren't at

the point of departure when the flight was cancelled, and they hadn't checked-in. On this basis, the policy is clear that there will only be cover available if this happened.

I'm satisfied therefore that the claim was declined in line with Mr and Mrs J's policy terms and conditions and there's no cover for the situation they found themselves in.

Customer service

I've carefully considered the information provided and looked at what happened. I've also listened to the call Mrs J had with AWP when the flight was cancelled.

Generally, I wouldn't expect an insurer to be in a position to give a definite claims decision over the telephone until it has seen all the relevant documentation and looked at the circumstances of the claim.

Having said that, I do agree that AWP could have provided better information, especially as the advisor said they had referred to a manager. I can see that Mr and Mrs J decided to take a flight the next day because of the information given to them. I've thought about what Mr and Mrs J would have done had they received the correct information. I think it's very likely they would have taken the later flight on 26 August, which would have avoided having to stay one night and paying for the cost of this. Mr and Mrs J would have mitigated some of the financial loss.

So, I think it's fair and reasonable that AWP pay Mr and Mrs J for the cost of the one night's accommodation and add 8% simple interest.

I also think £200 compensation is fair and reasonable for the circumstances of what happened here. Mrs J did what was expected by calling the insurer on the day the flight was cancelled. It's unfortunate and poor customer service that the information the AWP adviser provided was incorrect. I can see that AWP has apologised for this and it's also agreed that £200 is a fair and reasonable amount.

I appreciate that Mr and Mrs J think this is unfair as they incurred costs which they found out later weren't covered for. I've considered everything and can understand that the situation has been frustrating. But as it stands, there is no cover for what happened in their situation. I've considered what's fair and reasonable based on what Mr and Mrs J were told by the adviser and I think paying the cost of the one-night accommodation and paying £200 compensation for the distress and inconvenience caused seems fair and reasonable overall.

Conclusion

Taking everything into account, I'm not persuaded that AWP declined the claim unfairly or unreasonably. There is no cover for what happened under the '*Travel Delay*' section of Mr and Mrs J's policy or any other section of their policy. I therefore can't reasonably ask AWP to settle the claim.

I do think Mr and Mrs J would've mitigated some of the financial loss and I think therefore AWP should pay for the one night's accommodation Mr and Mrs J incurred. It's also fair and reasonable that AWP pay Mr and Mrs J £200 in total for the poor service it provided.

Putting things right

AWP should now pay Mr and Mrs J the following:

- Settle the claim for the cost of the one night of accommodation Mr and Mrs J incurred

and include 8% simple interest from the date the claim was made to the date of settlement.

- Pay in total £200 compensation for the poor service it provided to Mr and Mrs J.

My final decision

For the reasons given above, I partially uphold Mr and Mrs J's complaint about AWP P&C SA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Mrs J to accept or reject my decision before 17 May 2023.

Nimisha Radia
Ombudsman