

## **The complaint**

Miss D and Mr S are unhappy with how AWP P&C SA handled a claim they made on their travel insurance policy.

## **What happened**

Miss D and Mr S went on holiday with their young son. Unfortunately, Mr S and their son both became ill, with unrelated medical conditions.

They both sought treatment and their son was diagnosed with chickenpox. As a result, they were quarantined in their resort accommodation. To avoid being stuck in a single room for the rest of their holiday they moved to self-contained accommodation at additional costs. They claimed on their travel insurance policy for their expenses, including medical expenses and, the additional accommodation and one night's accommodation at the first resort which hadn't been refunded.

AWP settled the claim in part but made various payments into the wrong bank account. Miss D and Mr S were also unhappy with the settlement of the claim which they didn't think was enough. As their complaint wasn't resolved they made a complaint to the Financial Ombudsman Service.

Our investigator looked into what had happened. He upheld the complaint based on the available information and recommended AWP pay a further £1, 895 towards the costs claimed by Miss D and Mr S and 8% simple interest from the date of the claim to the point of settlement. He also recommended that AWP pay £300 compensation for the trouble and upset caused by delays in handling the claim.

Miss D and Mr S didn't think £300 fairly reflected the distress and inconvenience caused by the stress and sheer amount of time AWP had taken up. AWP asked their claims team to review the claim. They said the claims team had reviewed the claim and the accommodation costs had been paid in full under the medical expenses section.

The investigator said that AWP hadn't evidenced the details of the settlement and that he'd set out the payments received by Miss D and Mr S when he reached his opinion. So, this further information didn't change his thoughts about the overall outcome of the complaint. As it wasn't possible to reach an agreement, I need to make a 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.

The relevant rules and industry guidelines say that AWP has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

I'm satisfied it's fair and reasonable to uphold this complaint and I think the £300 compensation our investigator recommended is fair.

I say that because:

- AWP hasn't taken issue with any of our investigator's findings in relation to the wider circumstances of the claim. They accept there's a valid claim.
- I think it's reasonable to conclude Miss D and Mr S's trip was effectively cut short for six days as they had to quarantine and couldn't fly home due to their son's chicken pox. They were confined to their room, couldn't use the facilities and had food brought to their room. The initial resort they had booked refunded Miss D and Mr S for five days-worth of their accommodation costs, not six. So, I think it's fair and reasonable for the extra day to be covered by their insurance.
- AWP have said the accommodation claim has been paid in full. However, they've not provided any further persuasive or compelling evidence in support of this. I've not seen sufficient evidence to persuade me a payment for one night's accommodation at the first resort was included in the settlement of the claim. I've placed more weight on the information Miss D and Mr S have provided about the payments they've received. On the basis of the evidence I have I'm not persuaded this amount is included in the settlement figure.
- I've thought about the fact that AWP paid for Miss D and Mr S's alternative accommodation. The particular circumstances of this case mean that, had Miss D and Mr S stayed in the original resort as planned, AWP would have had a much more significant bill for the holiday effectively being cut short. So, by moving to alternative accommodation and getting a cash refund Miss D and Mr S significantly mitigated AWP's losses. Therefore, in the particular circumstances of this case, I think it is still fair and reasonable for AWP to pay the alternative accommodation costs as well.
- I've taken into account Miss D and Mr S's comments about the service they received and the delays in settling a claim. That includes, for example, payments being made into the wrong bank account. I think £300 fairly reflects the stress and time spent in chasing up the claim. I don't think it's fair and reasonable to direct AWP to make a further payment.

### **Putting things right**

AWP needs to put things right by:

- Paying an additional £1895 in settlement of the claim plus 8% simple interest from the date of the claim notification to the date of settlement
- Paying £300 compensation for the distress and inconvenience caused by delays and poor customer service.

### **My final decision**

I'm upholding this complaint and direct AWP P&C SA to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D and Mr S to accept or reject my decision before 15 June 2023.

Anna Wilshaw  
**Ombudsman**