

The complaint

Mr R is unhappy AWP P&C SA declined cover for his claim.

What happened

Mr R has a travel insurance policy under underwritten by AWP P & C SA. He booked a return trip abroad.

He went on holiday, but unfortunately was unable to make his return flight to the UK. He was due to catch an internal flight to reach his departure airport to then return to the UK. But he was unable to do so because when he arrived at the airport for his internal flight, it was closed due to a broken down plane causing an obstruction on the runway. So Mr R's flight to reach his departure airport was cancelled.

Mr R made a claim on his policy with AWP for the additional cost for his new flight home on a later date and his extra accommodation costs.

AWP declined the claim. They said cover under the 'Travel delay' section of the policy only applies if Mr R had already arrived and checked in at his departure airport. And the claim couldn't be considered under 'Missed departure' as it doesn't cover issues after arriving at the departure airport.

Mr R referred the complaint to this service. Our investigator looked into what had happened and upheld the complaint. She said it was fair and reasonable for the claim to be accepted under the missed departure section due to public transport failings. She recommended AWP pay the claim for the additional costs of the flight back to the UK. And the accommodation cost for 10 January 2023, plus 8% simple interest.

AWP disagreed. In summary they said there wasn't a mechanical failure of the public transport on which Mr R was actually travelling, so he wasn't covered under that section of the policy.

So the case has been passed 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.

The relevant rules and industry guidelines say AWP has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably. Under the missed departure section of the policy, it provides cover for:

"Public transport services failing to get you to your departure point due to strike, industrial action, adverse weather conditions, mechanical failure or direct involvement in an accident".

Aircrafts are included in the definition for public transport.

AWP say this term is only to cover mechanical failure of the transport Mr R was actually travelling on. But I don't think that's clear.

I think it's reasonable to interpret that the policy provides cover if you fail to get to your departure point on public transport because of a mechanical failure. I don't think the policy term clearly states the mechanical failure only applies to the transport Mr R was actually travelling on.

If it was the intention of this term to only cover the mechanical failure of transport the insured was, or intended to use, I would expect it to state as such. In the same way it does for an accident which is also listed, but here it specifically states "direct involvement" in an accident. There isn't any similar restriction placed on mechanical failure cover.

So whilst I acknowledge the aircraft Mr R was due to use to get to his departure point didn't suffer any mechanical failure, I'm satisfied it was due to a mechanical failure of another aircraft which caused his public transport to fail to get him to his departure point.

Mr R has provided evidence to show an aircraft was "*stranded in the middle of the runway, pending arrival of required parts and maintenance equipment*". And he was told "*a full runway safety inspection will be conducted prior to the reopening of the airport*". So it's clear a mechanical fault happened at the airport which meant it closed. And this led to Mr R's public transport failing to get him to his departure point – which is what I think the missed departure section says it will cover. As there is a lack of clarity in this term, I think it's fair for it to be interpreted in the consumer's favour and it's reasonable for AWP to consider the claim under this section of the policy.

AWP said "missed departure" doesn't cover issues after arriving at the departure airport. But Mr R hadn't reached his departure point due to the problems with his cancelled flight. The cancelled flight was not a connecting flight. So I'm persuaded the departure airport for his return journey to the UK was the airport he was unable to reach because his transport there was cancelled.

On balance, I don't think it was reasonable for AWP to decline cover in this specific case. I'm persuaded the claim should be considered under the missed departure section of the policy and AWP should pay the additional costs of the flight to the UK and accommodation on 10 January. AWP doesn't need to pay for the cost of travelling to the departure airport, or the accommodation on 9 January as Mr R would always have needed to cover these costs.

Putting things right

AWP P&C SA need to put things right by:

- Paying the claim for the additional costs of the flight to the UK and accommodation on 10 January 2023. And add 8% simple interest from the date of claim to the date of settlement.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 22 August 2023.

Georgina Gill
Ombudsman