

## **The complaint**

Mr T and Mrs H complain because AWP P&C SA ('AWP') hasn't paid a claim for a cancelled trip under their travel insurance policy.

## **What happened**

Mr T and Mrs H held single trip travel insurance, provided by AWP. They were due to travel on a UK break in December 2021. Unfortunately, shortly beforehand, Mr T was advised by his GP not to travel.

Mr T and Mrs H cancelled their trip and notified AWP on 15 December 2021 that they wished to make a claim for their unused costs.

On 21 December 2021, AWP sent Mr T and Mrs H a claim form and asked for supporting documentation. Mr T and Mrs H subsequently sent AWP a completed claim form dated 9 January 2022. The claim form included a medical certificate from Mr T's GP. The medical certificate wasn't signed by the GP but set out the GP's name and contained a GP surgery stamp.

On 1 February 2022, AWP told Mr T and Mrs H that it needed the medical certificate to be stamped by Mr T's GP. AWP also asked for bank statements showing payment for the trip. Mr T said he had difficulty visiting his GP's surgery and asked for AWP to arrange to obtain what it needed directly. Mr T also said he didn't have copies of his bank statements but provided a cheque book stub stating that payment was made to the holiday provider.

AWP's records show that, on 7 February 2022, it told Mr T that he would receive payment of the claim within 7 – 10 days. On 8 March 2022, AWP told Mr T it had written to his GP asking for his signature on the medical certificate. AWP said it would complete the claim assessment once it had received the signed medical certificate. Mr T subsequently sent further emails to AWP seeking an update and received automatic replies. Unhappy, Mr T and Mrs H brought their complaint to the attention of our service.

Following our involvement, AWP sent Mr T a final response letter on 16 December 2022 saying it couldn't locate his claim so it had closed his complaint. And, on 28 March 2023, AWP wrote to Mr T enclosing a claim form and asking for documentation, some of which it had already received.

One of our investigators looked into what had happened and said she thought AWP should settle Mr T and Mrs H's claim and pay them £200 for its delays.

Mr T and Mrs H accepted our investigator's opinion but AWP didn't respond. The complaint was referred to me as the final stage in our process. I made my provisional decision about Mr T and Mrs H's complaint earlier this month. In it, I said:

*'Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims promptly and fairly, must provide reasonable guidance to help a policyholder make a claim and must also provide appropriate information on its progress. I've taken these*

*rules into account when making my provisional decision and I don't think AWP has handled Mr T and Mrs H's claim in the way I'd have expected it to.*

*Insurers are generally entitled to carry out reasonable investigations into and ask for reasonable evidence in support of a claim. This would usually include evidence such as bank statements demonstrating proof of payment for costs claimed for. And I don't think AWP was unreasonable in initially querying the lack of a signature on the completed medical certificate.*

*However, this doesn't mean that it's fair for AWP to delay paying Mr T and Mrs H's claim indefinitely, particularly in circumstances where it hasn't chased Mr T's GP for the information it says it requested and where AWP hasn't communicated effectively with Mr T and Mrs H about the progress of their claim.*

*I've carefully considered the evidence which is available in this case – including the terms and conditions of the policy (particularly the 'health declaration and health exclusions' in relation to UK trips). I've taken into account the information on the completed medical certificate confirming the date of first onset of Mr T's symptoms, the date of first consultation for the condition in question and the date Mr T was advised that it was medically necessary to cancel the trip. I have no reason to doubt the authenticity of the medical certificate and, although it is unsigned, it is stamped and, so, was capable of being verified by AWP if it had chosen to telephone the GP surgery and make further enquiries.*

*Mr T and Mrs H have provided evidence that they have been unable to obtain a refund for the cost of their trip from their holiday provider. They have also provided evidence from the holiday provider that the 'client paid in full' for the trip, as well as a stub receipt from a cheque book. While I wouldn't necessarily consider this to be sufficient evidence that costs have been paid for more generally, I'm satisfied based on the individual circumstances of this case that Mr T and Mrs H have demonstrated that they have a valid claim.*

*I think AWP has excessively and unreasonably delayed in assessing and paying Mr T and Mrs H's claim and I think AWP has had more than enough time to carry out any further investigations into the claim which it may have deemed necessary. I think any potential disadvantage to AWP in now losing the chance to carry out further investigations is of its own making and I'm satisfied that the fair outcome in the circumstances is for Mr T and Mrs H's claim to be paid, together with interest.*

*I've considered the inconvenience and annoyance experienced by Mr T and Mrs H as a result of how AWP handled their claim. I've taken into account the length of the delays and the lack of meaningful correspondence or updates from AWP in this case. I've also taken into account the loss of expectation experienced by Mr T and Mrs H following the incorrect information given to them by AWP that their claim was due to be paid in February 2022. I've also had regard to the content of AWP's final response letter and its subsequent request for information in March 2023, which can only have added to Mr T and Mrs H's frustration.*

*I don't currently think that the payment of £200 compensation proposed by our investigator adequately compensates Mr T and Mrs H for the distress and inconvenience they experienced. Overall, I think a total payment of £300 compensation would be fair and reasonable in the circumstances.'*

*Mr T and Mrs H accepted my provisional decision. AWP responded and said it had nothing further to add.*

## **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.

As neither party has provided any new evidence or additional submissions, I see no reason to change my provisional decision.

## **Putting things right**

AWP P&C SA needs to put things right and do the following:

- pay Mr T and Mrs H's claim, subject to any applicable policy excesses and/or limits;
- add interest to the claim settlement at 8% simple per annum from one month after AWP P&C SA received Mr T and Mrs H's completed claim form until the date the settlement is paid<sup>1</sup>;
- pay Mr T and Mrs H a total of £300 compensation for the distress and inconvenience they experienced.

AWP P&C SA must pay the compensation with 28 days of the date on which we tell it Mr T and Mrs H accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

## **My final decision**

I'm upholding Mr T and Mrs H's complaint against AWP P&C SA and I direct it 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 T and Mrs H to accept or reject my decision before 30 June 2023.

Leah Nagle  
**Ombudsman**

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<sup>1</sup> If AWP P&C SA considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr T and Mrs H how much it has taken off. It should also give Mr T and Mrs H a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.