

## **The complaint**

Mr R is unhappy that AWP P&C SA declined a claim he made on his travel insurance policy.

## **What happened**

Mr R has a travel insurance policy as a benefit of his current account. He took a train from London to France. He then had a flight booked from France, back to London. He was then due to fly to South Africa.

His flight from France to London was delayed by just over 2 hours. However, as a result of this delay, he missed his connecting flight to South Africa. The flight itinerary shows that Mr R had been due to leave London at 2050 on 22 December 2022. However, due to missing the connecting flight he was booked onto a flight on 23 December 2022 at 1820. So, there was a delay of nearly 24 hours due to Mr R missing the connecting flight.

Mr R claimed on his travel insurance policy. The claim was declined because Mr R's first flight, from France to London, was delayed by less than four hours. So, AWP said it wasn't covered by the policy terms. Mr R made a complaint but AWP maintained their decision to decline the claim. Unhappy, Mr R made a complaint to the Financial Ombudsman Service.

Our investigator looked into what had happened and didn't uphold the complaint. He thought AWP had declined the claim in line with the policy terms. Mr R didn't agree and highlighted the policy definition of the word 'trip'.

In June 2023 I issued my provisional decision. I said:

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.

### The policy terms and conditions

The policy covers travel delay due to travel carrier delay. The policy terms and conditions say there is cover for:

1. Your lost pre-paid trip expenses and additional expenses you incur while and where you are delayed for meals, accommodation, communication and transportation, subject to a limit for the first complete 4 hours and a limit for each complete hour thereafter, as shown in the 'Benefits Summary', as follows...

If you do not provide receipts or do not incur expenses, the 'No receipts' daily limit applies.

The benefit summary sets out the daily limit. It says:

If you do not have receipts or have not incurred expenses - £350 per beneficiary (£70 limit for the first complete 4 hours and £70 limit for each complete hour after this).

'Trip' is defined as:

Your travel originally scheduled to begin from your primary residence on your departure date and ending on your return date to, within and/or from a location:

- At least 100 kilometres away from your primary residence; or
- Abroad; or
- Outside your city/town of residence, provided that your travel includes an overnight stay.

Was it fair for AWP to decline the claim?

I'm intending to uphold this complaint because:

- I don't think the policy terms make it clear that the policy only covers delays at the point of initial departure. That's not referred to in the policy term relating to travel delay. It's also not explained or specified within the policy definition of 'trip'.
- Mr R was delayed by nearly 24 hours as he missed his connecting flight from London. He was delayed, mid-journey, for over four hours. So, based on the policy terms, I don't think there's any reason why he can't benefit from the delay caused by missing his connecting flight.
- Mr R has cover under the policy for travel delay and it's accepted the delay was for a covered reason. So, in any event, I also think it would be fair and reasonable to cover the delay in the circumstances of this case.
- If AWP wanted to exclude connecting flights from cover, I'd expect to see an exclusion or policy term explaining this. It's common for policyholders to use connecting flights so any restrictions on cover should be clear and prominent in the policy terms. That's because it's a significant limitation on cover which ought to be highlighted. In the circumstances of this case I don't think the policy terms and conditions do make this limitation clear.

Putting things right

I'm intending to direct AWP to put things right by paying Mr R:

- £350 for the travel delay benefit
- 8% simple interest on that amount from the date the claim was declined until the date of settlement.

If AWP considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr R how much it's taken off. It should also give Mr R a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Mr R accepted my provisional decision. AWP said it had declined the claim in line with the policy terms and conditions. They said the delay was in France and didn't meet the minimum required delay. They said they appreciated these facts were included in my initial decision

and have no further comments 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 I outlined in my provisional decision, I don't think the policy terms do specifically exclude the circumstances of Mr R's claim. And, in any event, I don't think the policy terms make it clear that the policy only covers delays at the point of initial departure. Taking into account all of the circumstances of this case I think it is fair and reasonable to uphold this complaint.

For the reasons I've outlined above, and in my provisional decision, I'm upholding this complaint.

### **Putting things right**

AWP needs to put things right by paying Mr R:

- £350 for the travel delay benefit
- 8% simple interest on that amount from the date the claim was declined until the date of settlement.

If AWP considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr R how much it's taken off. It should also give Mr R a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

I'm upholding Mr R's complaint about 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 2 August 2023.

Anna Wilshaw  
**Ombudsman**