

## **The complaint**

Mr and Mrs F complain because AWP P&C SA ('AWP') hasn't paid the full amount of a curtailment claim under their travel insurance policy.

All references to AWP include the agents appointed to handle claims on its behalf.

## **What happened**

Mr and Mrs F are insured under a travel insurance policy underwritten by AWP, which is provided as a benefit of a bank account.

Mr and Mrs F were on holiday with their children when, unfortunately, Mrs F became ill. Mr and Mrs F say this happened on 5 August 2023 and Mrs F was essentially bedridden until she was admitted to hospital on 7 August 2023. Mrs F wasn't discharged until after the date of her and her family's original return flight. AWP arranged for new flights home for the family a few days after Mrs F was discharged.

Mr and Mrs F made a claim with AWP. This included a claim for the curtailment of their holiday, which is the subject of this complaint. AWP paid for Mrs F's unused costs from the date she was admitted to hospital until her original return date. Unhappy, Mr and Mrs F complained and said AWP should pay for the whole family's unused costs from the date Mrs F first fell ill. AWP maintained its position, so Mr and Mrs F brought the matter to the attention of our service.

One of our investigators looked into what had happened and upheld Mr and Mrs F's complaint in part. She said she thought AWP should pay for Mrs F's unused costs from the date she first fell ill, but she said she didn't think the rest of the family's claim for curtailment was covered. Neither AWP nor Mr and Mrs F agreed with our investigator's opinion, so the complaint has been referred to me as the final stage in our process.

## **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.

Mr and Mrs F have mentioned various issues surrounding the level of emergency assistance they were given, such as the time AWP took to confirm cover to the hospital, the fact that Mr and Mrs F had to pay and claim for additional accommodation costs and the fact that Mrs F flew home in a different part of the plane. These issues would need to be raised directly with AWP in the first instance, and AWP given the opportunity to provide a final response, before our service would have the power to consider or comment on them.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when making my final decision about Mr and Mrs F's complaint.

The terms and conditions of Mr and Mrs F's policy, under the heading 'Section 1 – Cancellation and Curtailment', say that AWP will pay for certain costs if a policyholder cuts short their trip and returns to the UK on medical advice.

So, in common with most if not all travel insurance policies on the market, cover is only provided where a policyholder actually returns home early. This didn't happen here.

Travel insurance policies aren't designed to provide a benefit for loss of enjoyment, and they also don't provide compensation for the inevitably distressing and inconvenient consequences of a policyholder falling ill abroad.

So, the curtailment costs which Mr and Mrs F are claiming for aren't covered under a strict application of the policy terms and conditions. In line with my remit, I've also thought about whether it would be fair and reasonable to depart from the policy terms and conditions based on the individual circumstances of this case.

In situations such as this, I'd generally consider that it would be fair and reasonable for an insurer to treat the trip of the person who is taken ill as – in effect – curtailed from the day of their hospital admission. I'm pleased to see that AWP has done this in relation to Mrs F's unused costs.

But I agree with our investigator that it would also be fair and reasonable in the circumstances for AWP to pay Mrs F's costs from the day she first fell ill. I understand Mr and Mrs F have no medical evidence which confirms that Mrs F was first taken ill on 5 August 2022 and that Mrs F didn't seek medical attention until 7 August 2022, but I'm satisfied that Mr and Mrs F have been consistent and plausible in their version of events and I don't think the contents of a call which AWP has sent to us contradicts Mr and Mrs F's evidence in this regard. I think Mrs F's trip was, in effect, curtailed from 5 August 2022 so I think it would be fair and reasonable in the circumstances for AWP to pay the claim for Mrs F's curtailment costs from that date.

AWP has calculated Mrs F's curtailment claim on a pro-rata basis based on the original holiday booking invoice, as the policy entitles it to do. In the absence of a definitive breakdown of the costs attributable to each person from the holiday provider, this is how I'd generally expect an insurer to calculate a claim like this. I can't fairly conclude that the alternative calculations which Mr and Mrs F have submitted based on quotes obtained a year after they originally travelled demonstrate that AWP has calculated the settlement incorrectly. So, when AWP is calculating Mrs F's additional curtailment costs, it's entitled to do so in the same way as it calculated the original payment.

I've also considered whether I think it would be fair and reasonable for AWP to treat the rest of the family's trip as, in effect, having been cut short due to Mrs F's illness.

I've taken into account everything Mr and Mrs F have told us about the situation Mr F was in, as well as their explanations about the effect this had on their children. But Mr F and his children had the use of their accommodation despite Mrs F's unfortunate illness and subsequent hospital admission, regardless of whether Mr F had to purchase additional food and regardless of whether he and his children enjoyed the facilities.

When making an independent and impartial decision, I need to reach an outcome that is fair and reasonable to both parties. So, I must also have regard to the other costs which AWP paid in this case, and Mr and Mrs F's policy specifically states that there will be no reimbursement of original return flight costs in circumstances where AWP pay for new flights. And I don't think that AWP's email of 9 December 2022 can reasonably be interpreted as confirmation that this part of the claim would be paid.

I'm sorry to disappoint Mr and Mrs F and I have no doubt that they had a very stressful time abroad. But, overall, I don't think the part of the claim relating to Mr F and his children's costs are covered under the terms and conditions of Mr and Mrs F's policy, and I don't think there are any reasonable grounds upon which I could fairly direct AWP to pay this part of their claim.

### **Putting things right**

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

- Pay Mrs F's claim for curtailment of her trip from 5 August 2022.

### **My final decision**

My final decision is that I uphold Mr and Mrs F's complaint in part and I 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 Mrs F and Mr F to accept or reject my decision before 11 October 2023.

Leah Nagle  
**Ombudsman**