

The complaint

Miss L complains that AWP P&C SA declined her travel insurance claim and about its service. My references to AWP include its agents.

What happened

Miss L has travel insurance through her bank account. AWP is the insurer. Miss L's partner is also covered under the policy as he meets the definition of 'family' under the policy terms.

In October 2022 Miss L booked holiday accommodation in the UK for herself, her partner and two other people for 30 December 2022 to 3 January 2023. Miss L says she paid for the trip as a gift.

On 29 December 2022, a day before the trip, Miss L's partner took a lateral flow test and tested positive for Covid-19. As her partner had to isolate for five days Miss L contacted the accommodation provider to ask for the holiday dates to be rescheduled but the provider wouldn't change the dates and provided a cancellation invoice. Miss L claimed on her insurance for cancellation of the trip.

AWP declined the claim on the basis that it wouldn't accept lateral flow tests results as proof of the claim because it couldn't know the date of the test. AWP said to accept a claim for Covid-19 cancellation it required a PCR test, a supervised lateral flow test result or a medical certificate from the GP.

Miss L complained to us. In summary she said:

- At the time of the cancellation there was no government requirement for a PCR test or a supervised lateral flow test to be taken or need for GP medical certificate for Covid-19.
- On 29 December 2022 she'd spoken to AWP about making a claim and its representative didn't tell her that it wouldn't accept the lateral flow test as evidence to support her claim. If AWP had told her the specific supporting evidence it wanted she would have obtained that evidence.
- She's had a lot of stress and worry by AWP unfairly declining the claim and she wants it to pay the claim.

Our investigator said AWP unreasonably declined the claim. She recommended AWP pay the claim in line with the remaining policy terms plus interest and £150 compensation for Miss L's distress and inconvenience it caused.

AWP didn't respond to our investigator's recommendation so the complaint has been referred to me 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.

At the time of making my decision we haven't heard from AWP with a response to our investigator's recommendation, despite her chasing for a response and telling AWP that the complaint has been referred to me for a decision. In all the circumstances I'm satisfied that it's reasonable for me to make a decision on the evidence I have.

The regulator's rules say that insurers must handle claims fairly. And they mustn't unreasonably decline a claim.

I think AWP unreasonably declined the claim. I'll explain why.

The policy under the 'cancellation or curtailment' section says:

'What is covered

We will pay you up to £5,000 ... for any irrecoverable unused travel and accommodation costs (including excursions and other pre-paid charges) which you have paid or are contracted to pay together with any reasonable additional travel expenses, due to any of the following necessary and unavoidable events:

• Cancellation of the trip; ... as a result of any of the following events occurring:

1. The death, bodily injury or illness of:

a. You;

b. Any person with whom you are travelling or have arranged to travel with;

c. A relative of you or any person with whom you are travelling or have arranged to travel with;

...

Note:

• For a, b, and c above, this will include being diagnosed with an epidemic or pandemic disease, such as COVID-19.

2. You or any person with whom you are travelling or have arranged to travel with being held in quarantine by order or another requirement of a government or public authority, based on their suspicion that you or they, specifically, have been exposed to a contagious disease (including an epidemic or a pandemic disease such as COVID-19). This does not include any quarantine that applies generally or broadly to some or all of a population, vessel or geographical area, or that applies based on where you are travelling to, from or through'.

So the policy covers cancellation of a trip if a person Miss L was traveling with was ill and diagnosed with Covid-19. Miss L's partner was due to travel with her and was ill with Covid-19. Under the NHS guidance at the time he needed to isolate so the trip was cancelled. But AWP declined the claim because it said it didn't accept a lateral flow test as evidence for Covid-19 as it couldn't tell the date of the test.

I understand AWP's point. And although the policy terms aren't specific about what type of Covid-19 test Miss L had to provide to evidence her claim the policy does say that for a cancellation claim Miss L needs to provide :

'a medical certificate from a doctor to confirm that you or your travelling companion are not fit to travel ...'

However, I have to decide what's fair and reasonable in all the circumstances. Miss L didn't have a medical certificate from a doctor but given the time of year, 29 December, I think it

probably would have been difficult for Miss L's partner to get an appointment to see or speak to a GP about Covid-19 unless his symptoms were severe and there's no evidence of that.

I think it's more likely than not that Miss L's partner would have been able to get a GP appointment at a later date, when he would have been better, so the GP certificate would just have said that Miss L's partner told the GP about having Covid-19. I think that would be less strong evidence than the evidence Miss L has provided about her partner's diagnosis. She sent AWP an email from NHS Covid-19 notification to her partner dated the 29 December 2022 saying his lateral flow test was positive and he should stay at home and avoid contact with other people.

Miss L says AWP's representative didn't tell her she would need to send a PCR test or a supervised lateral flow test in support of the claim, which AWP hasn't disputed. I think that disadvantaged Miss L in making her claim as if AWP had told her she needed to provide either of those tests I think it's probable she would have got that evidence.

In the circumstances I'm satisfied that Miss L provided AWP with enough evidence that her partner was ill with Covid-19, the NHS guidance at the time was he should isolate due to the illness and they had to cancel the trip due to his illness. So I think an insured event occurred under paragraph 1 of the above policy terms.

I also think the claim is covered on a fair and reasonable basis under paragraph 2 of the above policy terms. But I don't need to explain why as I've already explained why I think the claim is covered under paragraph 1.

Miss L's evidence is that she paid the full amount for the trip as a gift to her partner and two friends. She's provided her credit statement showing she paid the balance for the holiday accommodation, which was the majority of the costs, and our investigator sent the statement to AWP. The emails from the accommodation provider confirming the booking and receipt of the initial payment were sent to Miss L so I think it's more likely than not that she also paid the initial payment.

As I've seen no evidence to suggest that the other people who were due to go on the trip contributed financially to the accommodation I think AWP should pay the full costs Miss L paid for the accommodation in line with the remaining policy terms and limits, plus interest.

Miss L has told us how AWP's decline of her claim caused her a lot of stress and worry. Our investigator recommended AWP should pay £150 compensation for Miss L's trouble and upset it, which AWP hasn't objected to, and I think is a reasonable amount.

Putting things right

AWP must pay Miss L's claim in line with the remaining policy terms and limits, plus interest as I've detailed below. It must also pay her £150 compensation for her distress and inconvenience it's caused.

My final decision

I uphold this complaint and require AWP P&C SA to:

- Pay Miss L's claim in line with the remaining policy terms and limits. Interest* must be added at 8% simple a year from the date of claim to the date of settlement, and
- Pay Miss L £150 compensation for her distress and inconvenience due to its unfair handling of her claim.

*If AWP P&C SA considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Miss L how much it's taken off. It should also give Miss L a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 11 October 2023.

Nicola Sisk
Ombudsman