

## The complaint

Mr O and Ms O complain about AWP P&C SA's decision to turn down their travel insurance claim.

## What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

The policy says that AWP will pay up to £5,000 for any irrecoverable unused travel and accommodation costs which a consumer has paid for, or is contracted to pay, together with any reasonable additional travel expenses, due to any of the listed necessary and unavoidable events. The policy then lists a number of events, including:

*'The Police requesting you to remain at or return to your home due to serious damage to your home caused by fire, aircraft, explosion, storm, flood, subsidence, malicious persons or theft.'*

I understand a neighbour noticed water running down the side of Mr O and Ms O's property from an upstairs window. The fire service was called, and they forced entry to the property through a window, and turned off the utilities.

The fire service's report says they attended an incident due to flooding. The report explains they attended after a water tank had burst in the loft which caused a serious amount of damage to the property.

AWP told Mr O and Ms O the circumstance of their claim was listed in the policy's exclusion section. Though it didn't say which exclusion the claim fell under. I've read the exclusions, and I can't see any that would apply to the claim.

AWP also says the policy doesn't cover a flood caused by burst pipes, and that a flood is defined as *'caused by rain, rivers bursting their banks, dams overflowing, rise in the ground water table, etc'*.

The policy doesn't define what's meant by 'flood'. This Service says that a flood can occur when water enters or builds up in a property, and it doesn't necessarily have to be caused by a natural event. So I'm satisfied there was a flood event at Mr O and Ms O's property.

Mr O and Ms O weren't asked to return to their home by the police, but they were called by the fire service and notified that there had been serious damage to their home. This is supported by the fire service's report. I also understand that the damage was so significant

that six months after the event, Mr O and Ms O remained in alternative accommodation as their property was still uninhabitable, and the repairs were estimated to cost around £50,000.

The spirit of the policy term is to cover instances where serious damage has happened to someone's home, which requires them to cut short their holiday and attend to their property. I'm satisfied that is what happened here, so I agree with our investigator that it would be fair and reasonable for AWP to pay the claim.

AWP has offered Mr O and Ms O £250 compensation for the delay in assessing their claim. I see it took AWP five months to make a claims decision, and I agree this was too long for a straightforward claim. I see this delay caused Mr O and Ms O unnecessary worry and frustration, but I'm satisfied that £250 compensation is reasonable in the circumstances. It's not clear if this has been paid or not.

### **My final decision**

My final decision is that I uphold this complaint. I require AWP P&C SA to pay the claim subject to the remaining policy terms. Interest\* should be added at the rate of 8% simple per annum from one month after the claim was made to the date of settlement.

\*If AWP considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr O and Ms O how much it's taken off. It should also give Mr O and Ms O a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

I also require AWP to pay Mr O and Ms O £250 compensation if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Ms O to accept or reject my decision before 5 December 2023.

Chantelle Hurn-Ryan  
**Ombudsman**