

The complaint

Mr S is unhappy that AWP P&C SA declined a claim made on his travel insurance policy ('the policy').

What happened

Whilst abroad, Mr S was told that his home had flooded. He cut short his holiday and returned to the UK earlier than planned.

He made a claim under the policy to cover his costs, which was declined by AWP.

Unhappy, Mr S complained to the Financial Ombudsman Service. Our investigator looked into what happened and upheld the complaint. He recommended the claim be reassessed in line with the remaining terms of the policy, on the basis that the holiday was cut short for an insured event.

AWP disagreed. So, this complaint was passed to me to decide. I issued my provisional decision earlier in October 2023 explaining why I only intended to partially uphold Mr S' complaint - an extract of which is set out below.

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AWP has a regulatory obligation to handle insurance claims fairly and promptly. And it must not unreasonably decline a claim.

Curtailment

For the reasons set out below, I intend to find that AWP's decision to decline Mr S' curtailment claim is fair and reasonable.

The terms and conditions of the policy provide cover for cancellation or curtailment (at section 1).

It says AWP will pay up to a certain amount of:

Your share of the cost of your trip as a result of...

You or your travelling companion are instructed to...return home by a relevant authority due to severe damage to your home...caused by a...flood...

At the time, Mr S' home was up for sale. His estate agent has confirmed that they contacted Mr S on a date which coincided with when he was on holiday "regarding a neighbour's report to our office of water emerging from his property".

Even if I accepted that the estate agency amounted to a relevant authority (which is undefined in the policy terms and I make no finding on), from the email I've seen, I'm not persuaded that Mr S was instructed to return home.

The policy terms clearly say that Mr S (or a travelling companion) need to be **instructed** to return home (**my emphasis**) by a relevant authority to be covered for a holiday being cut short because of severe damage to his home caused by a flood. I don't think the email from the estate agency is sufficient to establish that he was instructed to return home.

Mr S has told the Financial Ombudsman Service that his neighbour turned the water off at the mains and the estate agency contacted the emergency services to turn off the gas and electricity. I've seen nothing to suggest that the emergency services required Mr S to return.

So, whilst I can, of course, understand why Mr S would want to return home, I think AWP has fairly concluded that there wasn't an insured event which led to his holiday being cut short.

Travel disruption

The flight Mr S booked to travel back to the UK early involved one stopover in mainland Europe and a connecting flight to the UK.

Section 3 of the policy terms and conditions ('travel disruption') provides compensation for travel delay if:

You are delayed at your point of departure and is only applicable if you have travelled there and checked in. If you have not travelled to your departure point you will not be covered, even if you have checked-in online

It goes on to set out the circumstances when compensation will be paid and that includes:

A delay of your pre-booked public transport resulting in you departing at least 12 hours after your original scheduled departure time.

Public transport is defined in the policy terms and conditions as:

Train, tram, bus, coach, ferry service or airline flight operating to a published Timetable

I've seen a message from the airline Mr S was flying with on his return flight reflecting his connecting flight to the UK was due to depart at 20:10 but it was changed to 10:15 the following morning. I'm satisfied the airline flight amounts to public transport as defined by the policy and it was delayed for around 14 hours (so more than 12 hours required by the policy).

Mr S says when he arrived at the European airport as part of the stopover to connect to his flight back to the UK, he was informed that the flight had been cancelled and there was no-one available to check him in. I'm persuaded that Mr S' account of what happened when he arrived at the European airport is plausible. Particularly as I've seen correspondence from the airline to Mr S around the time confirming his connecting flight had been cancelled.

So, whilst I accept that he didn't check in at the airport as required by the policy terms, he had arrived at the airport, and he had checked-in for and taken the first flight from the country he'd been visiting to start his trip back to the UK.

In the circumstances of this particular complaint, I think it's fair and reasonable to conclude that Mr S does meet the requirements of travel disruption benefit as I accept that it wasn't his fault that he wasn't able to check-in for his connecting flight at the European airport.

If travel delay is established, AWP will pay Mr S:

£30 as a benefit for the first complete 12 hours of your delay...if you continue to travel on your trip; or

Up to £5,000 for...your reasonable additional travel (including up to £200 for taxis and hire cars) and accommodation expenses, which are a similar standard to that of your pre-booked travel and accommodation and which cannot be claimed back from any other source, if you have to make alternative arrangement to reach your destination

I've seen correspondence from the airline to Mr S reflecting that he was offered £220 compensation for the cancelled flight and £210 for his claimed expenses for taxi, food and the internet.

So, I'm satisfied that Mr S has been able to recover his expenses resulting from the travel delay from another source. But, under the terms of the policy, I think AWP is still required to pay him £30. So, I partially uphold his complaint to this extent.

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I invited both parties to provide any information in reply.

AWP had no comments to make.

Mr S said he had nothing new to add but provided a number of documents which had been provided and considered by me previously. He's also sent an engineer's report dated January 2023 noting "burst pipe in the loft flooded entire property...water, electrics and gas all isolated. House uninhabitable, disaster team required".

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.

I've considered all the information Mr S has provided since my provisional decision and I remain satisfied that AWP has fairly concluded that there wasn't an insured event which led to his holiday being cut short. I don't think Mr S has established that he was instructed to return home because of the flood to the property, in line with the policy terms.

AWP hasn't provided any further comment on the one aspect of the complaint I was intending to uphold. So, I see no reason to depart from my provisional findings in this respect.

So, for the reasons set out in my provisional decision (an extract of which is set out above and forms part of this final decision), I partially uphold Mr S' complaint.

Putting things right

I direct AWP to pay Mr S £30 compensation for travel delay in line with the terms of the travel disruption section of the policy.

My final decision

I partially uphold this complaint and direct AWP P&C SA to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 November 2023.

David Curtis-Johnson
Ombudsman