

The complaint

Mr B, Ms J, Mrs P, Mr B and Mr C (all travellers) have complained that AWP P&C SA ('AWP') failed to deal with their claim properly.

What happened

Mr B booked a holiday abroad and bought travel insurance for all travellers, underwritten by AWP.

The trip was cancelled and Mr B made a claim in 2021. Mr B chased AWP regularly and made a formal complaint in 2023. AWP paid some costs to Mr B but not the full amount he was expecting. And so he referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint and found that AWP hadn't dealt with the claim fairly. She recommended that the claim be paid in full, with interest, and a total compensation amount of £500 for distress and inconvenience.

Mr B agreed but AWP did not respond.

And so the case has been passed to me for a final 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.

Having done so, I agree that this complaint should be upheld. I'll explain why.

- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.
- AWP didn't respond to our investigator's view and hasn't disputed the claim being covered. And I've seen no reason why the claim wouldn't be covered under the cancellation section, so AWP should treat it as covered.
- I don't think AWP dealt with the claim promptly or fairly as it is required to do. Mr B had to chase AWP regularly for over two years. When his claim was paid, AWP didn't explain why it had paid the amount that it had. It seems it only paid costs for two travellers rather than all five. Mr B has shown that he paid for and bought insurance through AWP for all travellers for the trip and so they were all insured. It therefore follows that I agree AWP should pay the claim in full, plus interest.
- In addition, Mr B was caused significant distress and inconvenience over two years and I have seen numerous emails from him chasing for a reply and providing explanations to AWP about his medical history. AWP paid Mr B £100 compensation but I think a total of £500 compensation is more appropriate taking into account the length of time he had to chase and wait and the level of frustration and

inconvenience this caused to him.

My final decision

For the reasons set out above, I uphold this complaint and direct AWP P&C SA to:

- Pay the claim in full, in line with the terms and conditions of the policy, plus interest. It has paid a portion of the holiday costs. It should pay the remaining amount plus 8% simple interest, calculated from one month after the date the claim was made, to the date of payment. It should also pay 8% simple interest on the settlement amount it has already paid, calculated from one month after the date of claim, to the date it was paid. It should provide Mr B with this calculation.
- Pay a total of £500 compensation to Mr B (it can deduct the £100 it has already paid from this sum).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B, Ms J, Mrs P, Mr B and Mr C to accept or reject my decision before 19 December 2023.

Shamaila Hussain
Ombudsman