

## The complaint

Mr C complains that AWP P&C SA declined his claim against his travel insurance policy. Reference to AWP includes its agents.

## What happened

The details of this complaint are well known to both parties, so I won't repeat them again here in full. In summary, Mr C has travel insurance as a benefit of a current account. He booked a trip with departure and return dates of 17 December 2022 and 20 December 2022 respectively.

On 20 December 2022, the airline cancelled Mr C's return flight because of adverse weather conditions. It rearranged his flight for 24 December 2022 and offered him hotel accommodation near the airport. Mr C couldn't travel to the hotel accommodation offered by the airline because of the adverse weather conditions.

Mr C contacted AWP to check his cover. I'll refer to that telephone call in more detail below. On 29 December 2022, Mr C made a claim against his policy in relation to his expenditure on food and drink and car hire. In May 2023, AWP declined the claim. It said that it doesn't cover the cost of food and drink under any circumstances and only covered the cost of travel to and from the airport for a maximum of two days after the original departure time. Mr C didn't think that was fair and pursued his complaint.

Mr C says that AWP told him that he could claim for food and drink and the cost of car hire but then declined his claim. He also complains that AWP lost his claim and took many months to deal with it. Mr C wants AWP to honour his claim, as it said it would.

One of our investigators looked at what had happened. She said that she could appreciate why Mr C felt that his policy covered his circumstances following his call with AWP. But she didn't think that any incorrect information AWP gave Mr C caused him loss. That was because she didn't think that Mr C did anything differently following his conversations with AWP. The investigator said that Mr C's flight was rescheduled four days later than the planned departure flight, so he'd have incurred the additional costs in any event. The investigator said that AWP acted fairly and reasonably and in line with the policy terms in declining the claim.

Mr C didn't agree with the investigator. He thinks that a claim for food and drink can be covered in these circumstances. Mr C said that the policy wording says that he can claim for food and drink up to a certain amount each day. He considers that he's being punished for AWP's mistake.

The investigator considered what Mr C said but didn't change her view. She said that insurance won't cover all eventualities and that there's cover for food in a claim for emergency medical and associated expenses, which isn't relevant here. The investigator said that Mr C wasn't worse off financially, as he had to buy food and drink in any event.

Mr C said that if AWP had given him correct information, he would have spent less in that he wouldn't have spent money on eating out and would have eaten in the accommodation instead. Also, he would have returned the hire car at the earliest opportunity instead of keeping it until his rescheduled return flight. Mr C disputes that the policy doesn't cover food and drink. He asked that an ombudsman consider his complaint, so it was passed to me to decide.

## **My provisional decision**

On 14 November 2023, I sent both parties my provisional decision in this case in which I indicated that I intended to uphold the complaint. I said:

### *'The terms and conditions*

*The travel disruption section of the policy contains the following:*

### ***'Section 3 – Travel disruption***

*[...]*

#### ***What is covered:***

##### ***Travel delay***

*The benefit provided below is intended to provide compensation 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.'*

### *Has AWP acted fairly and reasonably*

*The relevant rules and industry guidance say that AWP has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably. I intend to uphold Mr C's complaint and I'll explain why:*

- What happened here isn't covered by the policy as Mr C wasn't delayed at the point of departure and hadn't travelled to the airport and checked-in. So, I don't think that AWP acted unfairly or unreasonably in declining the claim under the terms of the policy. But that's not the end of the matter as AWP misled Mr C about the extent of his cover, so I've gone on to consider what's fair and reasonable in this case.*
- I've listened to the phone call Mr C made to AWP. He spoke with two people. AWP told Mr C that he was covered for travel delay and travel disruption. The first person Mr C spoke with told him that he could claim up to £190 and additional accommodation costs under the travel disruption provisions of his policy. Mr C was transferred to the claims department. The person he spoke with read over parts of the policy and told Mr C that he could claim up to £200 for additional car hire and for accommodation expenses of a similar standard to his pre-booked accommodation. The information AWP gave to Mr C wasn't correct as what happened here wasn't covered by the policy.*
- When mistakes like this happen, we don't proceed on the basis that the incorrect information is true. We look at the effect of the incorrect information on the individual. Mr C says that if he'd been made aware of the true position he would have spent less on food and drink and returned the hire car at the earliest opportunity instead of keeping it until his rescheduled return flight.*

- *Food and drink wasn't mentioned in the phone call. I don't think that AWP is responsible for Mr C's belief that AWP would reimburse him for his expenditure on food and drink. AWP told him that he could claim £30 for the first 12 hours, then £20 for each 12 hour delay. That's a benefit under the policy in certain circumstances and not reimbursement for food and drink. In any event, I've looked at the receipts Mr C provided to AWP. Only Mr C is insured under the policy and some of the purchases appear to be for two people. Having said that, the expenditure on food and drink was modest. But I don't think that AWP is responsible for any of Mr C's expenditure on food and drink.*
- *I accept that if AWP had told Mr C that the policy didn't cover what happened here, he would have returned the hire car at the earliest opportunity instead of keeping it until his rescheduled return flight. At this distance, it's difficult to ascertain exactly when that would have been, given the unusual weather conditions. Mr C has provided AWP with an invoice for four days car rental amounting to approximately £340. I think it's fair and reasonable for AWP to reimburse two days car rental - £170. It should also pay interest on that amount.*
- *I also think that the AWP's error in this case caused Mr C disappointment when he discovered the true position. Based on what AWP said in the phone call, Mr C thought that his claim would be covered and was no doubt disappointed to discover that it wasn't.*
- *Mr C has also complained about AWP's delay in its handling of his claim. Based on what I've seen, Mr C made a claim on 29 December 2022. AWP's notes show that on 6 February 2023 it spoke with Mr C and told him that it needed a claim form. In April 2023, AWP told Mr C that it was waiting for his documents to be reviewed. It wasn't until 19 May 2023, when Mr C called again to check the progress of his claim, that AWP declined the claim.*
- *It's not clear to me exactly when AWP had all the information it needed to deal with the claim, but it seems that this claim took much longer than we'd usually expect. I think that caused Mr C distress and inconvenience and it put him to the trouble of chasing AWP for the outcome of his claim.*
- *Considering everything, I think that AWP's errors caused Mr C distress and inconvenience in terms of loss of expectation when he discovered the true position and in its handling of his claim. I think that AWP should pay Mr C compensation of £200 in relation to his distress and inconvenience.*

### **Putting things right**

*I intend to direct AWP to pay Mr C:*

- *reimbursement of £170 in relation to car hire and interest on this amount at the simple rate of 8% per year from the date of his claim to the date it makes the payment and,*
- *compensation of £200 in relation to his distress and inconvenience.'*

## **Responses to my provisional decision**

AWP said that it had no additional comments. Mr C confirmed that he'd received the provisional decision and made no substantive comment.

## **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.

Neither Mr C nor AWP has provided any fresh information or evidence in response to my provisional decision. I therefore find no basis on which to depart from my earlier conclusions. For the reasons I've explained, I think that AWP gave Mr C incorrect information which caused him loss in terms of additional car hire costs. He also suffered distress and inconvenience in discovering the true position and as a result of AWP's delay in its handling of his claim.

## **Putting things right**

In order to put things right, AWP should pay Mr C:

- reimbursement of £170 in relation to car hire and interest on this amount at the simple rate of 8% per year from the date of his claim to the date it makes the payment and,
- compensation of £200 in relation to his distress and inconvenience.

## **My final decision**

My final decision is that I uphold Mr C's complaint. AWP P&C SA should now take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 December 2023.

Louise Povey  
**Ombudsman**