

The complaint

Mr and Mrs B complain because AWP P&C SA didn't pay a cancellation claim under their travel insurance policy.

What happened

Mr and Mrs B are insured under a travel insurance policy, underwritten by AWP, which is provided as a benefit of a packaged bank account.

Mr and Mrs B were due to travel abroad when, very sadly, Mrs B's sibling passed away unexpectedly. Due to the surrounding circumstances, Mrs B's presence was required in the UK so she and Mr B cancelled their holiday and made a claim under their policy with AWP for unused travel and accommodation costs.

AWP initially asked Mr and Mrs B for a medical certificate from Mrs B's sibling's GP. AWP later accepted that a medical certificate couldn't be provided but said it wouldn't be paying the claim because it needed what it described as 'official' booking and cancellation invoices for some of the privately booked costs that were being claimed for.

Mr and Mrs B complained to AWP. AWP maintained its position that it needed further evidence to proceed with Mr and Mrs B's claim but paid them £100 compensation for the delays they'd experienced.

Unhappy, Mr and Mrs B brought the matter to the attention of our service. One of our investigators looked into what had happened and said she thought AWP should pay Mr and Mrs B's claim. Our investigator also recommended that AWP should pay Mr and Mrs B a total of £350 compensation for the distress and inconvenience they'd experienced.

Mr and Mrs B accepted our investigator's opinion but AWP didn't, so the complaint has been referred to me as the final stage in our process. AWP says it has since paid part of this claim.

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'm sorry to hear about the sad circumstances surrounding this complaint and I'd like to offer Mr and Mrs B and their wider family my sincere condolences for their loss. I'm also sorry to hear about Mrs B's ill-health.

Industry rules set out by the regulator (the Financial Conduct Authority) say that insurers must handle claims promptly and fairly, shouldn't unreasonably reject a claim and must provide reasonable guidance to help a policyholder make a claim as well as appropriate information on its progress. I've taken these rules into account when making my final decision about Mr and Mrs B's complaint.

The issue in dispute is whether the documentation provided by Mr and Mrs B relating to

transfers and some accommodation costs which were booked privately via an online advertisement is reasonable evidence in support of their claim.

The terms and conditions of Mr and Mrs B's policy, under Section 1 – cancellation or curtailment say:

'In addition to the 'General claims information required' ..., where appropriate, you must also provide us with:

- *Written confirmation that no refund is available in respect of privately booked accommodation and evidence of payment for that accommodation.'*

Mr and Mrs B provided AWP with an email from the private accommodation owner dated 6 June 2023. This email confirmed when the deposit and balance were paid for the booking and stated that these costs were non-refundable. Mr and Mrs B also provided AWP with a bank statement showing the payment of the relevant amounts to the owner of the private accommodation.

Mr and Mrs B subsequently provided AWP with a more detailed, signed letter from the private accommodation owner dated 18 July 2023. This letter set out the planned check-in and check-out dates and again stated that the monies paid were non-refundable.

This evidence, when compared with the evidence provided by Mr and Mrs B in relation to their flights and other accommodation booked, matches their planned travel dates.

So, it seems clear to me that Mr and Mrs B have provided the information required under the terms and conditions of their policy to make a claim for privately booked costs and I don't think there are any reasonable grounds upon which to doubt the authenticity of the evidence provided.

AWP doesn't think the documentation provided by Mr and Mrs B is sufficient. AWP's internal notes say that invoices could easily be edited and that the email address of the private accommodation owner is a generic one rather than a business one. I think this is a wholly unfair and unreasonable position for AWP to take. Mr and Mrs B have provided a bank statement in support of their claim, which is the other supporting evidence required under the terms and conditions of their policy. There's no evidence that any documents have been edited. And I don't think the fact that the private accommodation owner uses a generic rather than a business email address is in any way relevant to whether Mr and Mrs B have a valid claim under the terms and conditions of their policy.

AWP subsequently told our service that the private accommodation provider must have a cancellation policy. I'm satisfied that it's clear from all the documentation provided what the cancellation policy is - the payments made by Mr and Mrs B were non-refundable. AWP has also said it has no way of verifying the private booking but I disagree. AWP has contact details for the private accommodation owner and it was open to AWP to contact this third party directly to verify any of the information provided if they wished to do so. Finally, AWP says it doesn't feel Mr and Mrs B have provided as much evidence as possible in support of their claim but it's unclear what additional evidence AWP expect Mr and Mrs B to be reasonably able to provide in these circumstances.

AWP has also since queried a handwritten note on the bank statements provided by Mr and Mrs B, which suggests that other travellers would be using a transfer. Mr and Mrs B have provided what I think is a plausible and persuasive explanation for this, which has since been shared with AWP, and Mr and Mrs B aren't claiming for the cost of this transfer.

Overall, I'm satisfied that Mr and Mrs B have provided sufficient evidence in support of their claim in line with the terms and conditions of their policy and I don't think AWP has acted fairly or reasonably by declining their claim.

So, AWP must now pay the entirety of Mr and Mrs B's claim. Our investigator didn't make a recommendation for AWP to pay interest on the claim payments but I'm satisfied that interest should be paid in line with our usual, published approach. I think it's fair for this interest to be calculated from one month after the date this claim was made based on the evidence originally provided (namely, the email of 6 June 2023 and the bank statement).

AWP has told us that some of this claim has now been paid. I'd expect AWP to send Mr and Mrs B a written breakdown confirming all the claim payments made, including interest.

AWP's communications with Mr and Mrs B about their claim fell short of what I'd expect under industry rules. Mrs B was given contradictory information about the status of the claim and AWP didn't tell Mrs B that its decision to pay the claim in July 2023 had been reversed. Instead, Mrs B had to chase AWP for updates. When Mrs B did speak to AWP for an update, I think the information and guidance she was given was limited to say the least. AWP has already acknowledged there were delays in its handling of the claim, and this was at a time when Mrs B was already in a difficult and upsetting situation due to her personal circumstances. I also note that AWP's final response letter was sent outside of the timescales set out by the regulator. I don't think the £100 compensation which AWP paid to Mr and Mrs B fairly reflects the impact that AWP's actions had on them and I'm satisfied that a total award of £350 compensation would instead be fair and reasonable in the circumstances.

As a final point, Mr and Mrs B have mentioned an issue with additional cover not automatically renewing as it should have. As this didn't form part of Mr and Mrs B's original complaint to AWP, I have no power to comment on the matter within this final decision. If this issue remains unresolved then Mr and Mrs B would need to bring a new complaint to our service for us to consider.

Putting things right

AWP P&C SA needs to put things right and do the following:

- pay Mr and Mrs B's cancellation claim in its entirety, subject to any applicable policy limits and excesses;
- add interest to each claim payment at 8% simple per year from one month after the date the claim was made until the date of each claim payment;
- pay Mr and Mrs B a total of £350 compensation for the distress and inconvenience they experienced. This includes the payment of £100 compensation already made.

AWP P&C SA must pay the balance of the compensation within 28 days of the date on which we tell it Mr and Mrs B accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

My final decision

I'm upholding Mr and Mrs B's complaint about AWP P&C SA and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 19 March 2024.

Leah Nagle
Ombudsman