

## **The complaint**

Ms P is unhappy that AWP P&C SA declined a claim made on her travel insurance policy.

## **What happened**

Ms P booked a one-way trip to a country I'll call 'U'. She says she cancelled the trip because she was told that an unwell relative, she was due to visit, had now tested positive with Covid-19.

AWP declined the claim on the basis that the trip booked by Ms P didn't amount to a 'journey' as defined by the policy terms because Ms P hadn't booked a return ticket. Unhappy with this decision, and the way in which her insurance claim was handled, Ms P complained to the Financial Ombudsman Service.

Our investigator looked into what happened and partially upheld the complaint. He thought there had been some service failings when handling the claim and recommended AWP to pay Ms P £75 compensation to reflect this. However, he concluded that AWP had fairly declined the claim. Although, he felt that the trip amounted to a journey, he also felt the circumstances which led to the trip being cancelled weren't covered under the terms of the policy.

AWP agreed with the outcome. Ms P didn't. So, her complaint was passed to me to consider everything afresh to decide. I issued my provisional decision earlier in February 2024 setting out why I was intending to uphold this complaint. An extract is set out below.

.....

AWP has an obligation to handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

## **The relevant policy terms**

Subject to the remaining terms of the policy, AWP provides cover:

If you cancel your journey before it begins because one of the following happens:

The death, serious injury or serious illness of

1. You;
2. A travelling companion;
3. A relative of you or a travelling companion;
4. Someone you were going to stay with; or
5. A business associate of you or a travelling companion

### **Note**

For 1, 2 and 3 above, this will include being diagnosed with an epidemic or pandemic disease such as COVID-19.

Journey is defined as:

A trip that takes place during the period of insurance which begins when you leave home and ends when you get back home...

For one-way cover

- You will not be covered unless you are aged 64 or under at the date the policy was issued
- You will only be covered for a period of 24 hours from when you leave your home...to begin your journey
- You will only be covered if your trip includes travel arrangements booked through [airline]

Period of insurance means:

For one-way trip cover

Cancellation cover begins from the issue date shown on your policy schedule and ends at the beginning of your journey. The cover for all other sections starts when you leave home...to begin your journey and finishes 24 hours later.

### **Did AWP fairly and reasonably decline the claim?**

When deciding this point, I've focussed on the reason given by AWP to decline the claim in its letter dated 10 October 2023 and the final response letter.

Looking at the policy definition of the terms 'journey' and 'period of insurance' above, and in particular how they relate to one-way trips, I'm satisfied that AWP has unfairly concluded that the trip wasn't covered because a return ticket hadn't yet been booked – and so wasn't a journey as defined and covered by the policy.

I'm satisfied that (subject to the remaining terms of the policy including whether the reason for cancelling the trip was an insured event under the cancellation section of the policy) the policy did cover cancellation claims for one-way trips from the date the policy was issued to the date the journey began.

I'm satisfied that the trip was cancelled before the journey began and after the policy was issued. So, I think AWP should reassess the claim on the basis that there was a journey as defined by the policy.

### **Other reasons for declining the claim**

As stated above, I've only considered whether AWP has fairly and reasonably relied on the reason it has to decline the claim.

However, as this is a provisional decision, and to assist the parties with the management of this claim going forwards, it might be helpful for me to explain that based on what I've seen to date there is likely to be an insured event which led to the trip being cancelled (namely the serious illness of a relative which includes Covid-19). That term doesn't say that this person can't be same person the policyholder was due to visit whilst away.

It looks like the purpose of the trip was to visit that relative and when they tested positive for Covid-19, that was the operative reason for the trip being cancelled.

I know Ms P explained that she was worried that if she contracted Covid-19 whilst visiting her relative in U, this might delay her travel plans back to the UK and impact her visa. But I think that links back to her relative being diagnosed with Covid-19. If they hadn't been, there's nothing to suggest that Ms P wouldn't have travelled. It wasn't a general concern of Ms P about contracting Covid-19 whilst travelling which caused her to cancel the trip – it was specific to her visiting her relative and increasing the likelihood of her doing so because of the relative's Covid-19 diagnosis.

As AWP hasn't relied on this point to decline the claim, I'm only including my thoughts to help manage the claim going forwards. If after reassessing the claim, AWP does seek to rely on there not being an insured event under the cancellation section to decline the claim, then Ms P can raise a separate complaint about that then.

### **The handling of the claim**

I'm satisfied it took around 10 weeks for AWP to assess the claim. AWP hasn't provided any persuasive reason to explain the delay and I think that's too long in the circumstances. In its final response letter, AWP also accepts that the delay was "compounded by repeated requests for documentation". I think this would've caused Ms P inconvenience.

For reasons set out above, I'm also satisfied that the reason relied on AWP to decline the claim is unreasonable. I think Ms P would've been upset and frustrated by the way in which the claim was managed, only to be given a reason to decline the claim which was unfair.

AWP apologised for the way in which the claim was handled. I don't think an apology is sufficient to reflect the impact on Ms P. I think £150 compensation is more reflective of the distress and inconvenience she was caused by AWP's failings in this case.

.....

Ms P replied saying she had nothing further to add. AWP didn't reply.

### **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 received no further substantive information in response to my provisional decision, I'm satisfied there's no compelling reason to depart from my provisional findings.

For reasons fully set out in my provisional decision (an extract of which is set out above and forms part of this final decision), I uphold Ms P's complaint.

### **Putting things right**

I direct AWP to:

- reassess the claim on the basis that there was a journey as defined by the policy.
- pay Ms P £150 compensation for distress and inconvenience.

### **My final decision**

I 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 Ms P to accept or reject my decision before 25 March 2024.

David Curtis-Johnson  
**Ombudsman**