

The complaint

The estate of the late Mr M has complained that AWP P&C SA declined a claim that Mr M made on a travel insurance policy linked to his bank account.

What happened

Mr M had booked a cruise for February 2022. He was due to fly from a UK airport to a destination abroad where he would pick up the cruise. However, at the airport he was advised that he didn't have the correct Covid status documentation to board the flight and was told to come back the next day. He stayed in a local hotel that night. But there was no connecting flight the next day and so he returned home.

As it turned out, his travel agent checked his documentation and found it to be in order, so he should never have been turned away from the flight.

The cruise company did eventually accept responsibility and offered Mr P a new cruise. But by that time he was too ill to travel. Therefore, he contacted AWP to make a claim on his policy.

AWP declined the claim on the basis that the circumstances were not covered under the policy terms.

Our investigator looked at what had happened and concluded that it was fair and reasonable for AWP to decline the claim, in line with the policy terms and conditions. The estate of Mr M has therefore exercised the right to have an ombudsman reconsider the outcome.

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.

Mr M's brother, acting for the estate, should feel satisfied that he has done everything he can on behalf of Mr M. By requesting a final decision, he can rest assured that he has left no stone unturned.

I've carefully considered the obligations placed on AWP by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for AWP to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Looking at the policy terms, under the 'cancellation and curtailment' section, it sets out a list of scenarios that would be covered, which are:

The death, bodily injury or illness of the insured person, his/her travelling companion, a relative, or person you are residing with on the trip, or

- You or a person you are travelling with being quarantined, or
- You or a person you are travelling with being required for jury duty, or
- You or a person you are travelling with being made redundant, or
- You or a person you are travelling with, being a member of the armed or emergency services, having leave cancelled for operational reasons, or
- You are being required to remain at, or return to home by the police, or
- You, a person you are travelling with or someone you are travelling to, suffering from medical complications relating to pregnancy, or
- A Government directive against travelling to or returning from a country, or
- You or a person you are travelling with being refused boarding of the public transport on which you are booked to travel, on the order of any Government, local authority or carrier, due to displaying symptoms of a contagious disease (including an epidemic or a pandemic disease such as Covid-19).

The reason why Mr M was making the claim does not form part of the above list.

I've also looked at the remainder of the policy wording, to see if there were any other sections under which the claim could be considered. However, it does not fall within the scope of the wider policy terms.

What happened to Mr M was a very unfortunate and saddening series of events, clearly outside of his control. But the question is whether the circumstances are covered under the policy terms – and I regret to say that they are not.

Therefore, whilst I know it will be disappointing, I consider that AWP acted fairly in declining the claim, in line with the policy terms and conditions. It follows that I do not uphold the complaint.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr M to accept or reject my decision before 1 April 2024.

Carole Clark

Ombudsman