

## **The complaint**

Mr and Mrs K are unhappy that AWP P&C SA have declined a claim they made on their travel insurance policy.

## **What happened**

Mr and Mrs K have the benefit of travel insurance linked to a packaged bank account. They booked a cruise in 2020 and paid a deposit of £6922. Due to the impact of the Covid-19 pandemic the cruise was postponed until 2023. Since they booked the cruise the underwriter of the policy has changed.

In May 2023 Mr and Mrs K were notified that they needed to obtain medical clearance to join the cruise. This hadn't previously been a requirement when they'd originally booked the cruise or when they'd travelled with the cruise company before. At the time Mr and Mrs K were abroad so they obtained the relevant documentation from their GP in July 2023. This was passed to a third-party company for consideration on the same day.

Mr and Mrs K were being chased for the balance of the trip, but they wanted to confirm the medical clearance before paying it. The trip was cancelled by the cruise company in August 2023 and the medical clearance didn't arrive until 10 days after the date of scheduled departure. Mr and Mrs K claimed on their travel insurance policy for the deposit and other expenses but the claim was declined. Mr and Mrs K complained to AWP but they maintained their decision to decline the claim was fair.

Our investigator looked into what happened and didn't uphold the complaint. He thought that AWP had fairly declined the claim in line with the policy terms. Mr and Mrs K didn't agree and asked an ombudsman to consider their complaint.

## **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.

The relevant rules and industry guidelines say that AWP has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions set out the insured events that are covered by the policy in the event of cancellation. Cancellation due to not having medical clearance and/or the balance not being paid as a result aren't specified insured events. The terms also say there is no cover for:

'Any claim arising from a reason not listed in the 'what is covered' section'.

I'm very sorry to see that Mr and Mrs K lost out on a lot of money as a result of the delay in getting medical clearance. I can empathise with their disappointment and frustration. However, I'm not upholding this complaint because:

- The reason for cancellation isn't a specified risk that's covered by the policy terms and conditions. Unfortunately, travel insurance policies don't cover every eventuality.
- I don't think it would be fair and reasonable to direct AWP to depart from a strict application of the policy terms. An insurer is entitled to specify the risks that it is, and isn't, prepared to cover. And, in my experience, it's unlikely that Mr and Mrs K would have been able to find a policy which would have covered this scenario.
- I've also taken into account that Mr and Mrs K hadn't previously required medical screening and that there were delays in the clearance being provided. Unfortunately, some delay was caused by Mr and Mrs K being abroad. And the other delays were caused by the third party company responsible for dealing with the clearance. I appreciate that Mr and Mrs K did everything they could to resolve this, and that this was outside of their control. But I don't think AWP was responsible for any of these issues.
- I'm aware that the underwriter of the policy changed. But it's for Mr and Mrs K to ensure that the level of cover they had met their needs. And, in any event, it's the policy terms and conditions in place at the time of the claim that are relevant. So, this hasn't changed my thoughts about the overall outcome of the complaint.

### **My final decision**

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 29 May 2024.

Anna Wilshaw  
**Ombudsman**