

## **The complaint**

Mr and Mrs M are unhappy that AWP P&C SA declined a claim made of their travel insurance policy.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

## **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.

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

Principle 12 of the Financial Conduct Authority's Principles for Businesses ('the Consumer Duty') also says a firm must act to deliver good outcomes for retail customers. That includes acting in good faith and avoiding causing foreseeable harm to retail customers.

I have a lot of empathy for Mr and Mrs M and their family, particularly given the reason why the holiday was cancelled for them and their two children. I know they will be very disappointed but for the following reasons I don't uphold their complaint.

- Mr and Mrs M have explained in their complaint form to the Financial Ombudsman Service that their holiday was cancelled because their daughter was an inpatient in a psychiatric hospital for young people. They say her mental health was very poor, and the family holiday wasn't viable. It isn't disputed that Mr and Mrs M's daughter survived a suicide attempt shortly before the holiday. The consultant also completed a medical certificate which reflects that Mr and Mrs M's daughter had "OCD, low mood, suicidal thoughts and acts".
- The policy does cover trip cancellation if someone listed as being insured on the policy certificate (which includes Mr and Mrs M's daughter in this case) becomes ill or develops a medical condition disabling enough to have to cancel the holiday. However, this is subject to the remaining terms of the policy including the general exclusions which apply to all cover under the policy including cancellation.
- AWP has relied on a general exclusion (number 3) to decline the claim. This says: "this policy does not provide cover for any loss that results directly or indirectly from any of the following general exclusions if they affect you, a travelling companion or a family member...your intentional self-harm or if you attempt or commit suicide". So, as I'm satisfied that the main cause of the holiday being cancelled was Mr and Mrs M's daughter's suicide attempt, under the terms of the policy the claim for cancellation isn't covered. I'm persuaded that AWP has acted fairly and reasonably by relying on this exclusion to decline the claim.

- When deciding this case, I've taken into account all points made by Mr and Mrs M including what they say about not being able to have foreseen this health crisis and they couldn't have mitigated the risk or source more appropriate cover in the circumstances. However, travel insurance doesn't cover every eventuality and it's for insurers to set out in the policy terms the risks being insured for the level of cover paid for. And the exclusion relied on my AWP to decline the claim isn't unusual. It's found in many travel insurance policies.
- Mr and Mrs M also say that AWP's decision and the exclusion doesn't take into account the modern understanding of adolescent mental health. They'd like a review of how mental health is treated in insurance policies. I've considered the individual circumstances of this case when determining this complaint, as I'm required to do. If Mr and Mrs M have wider concerns about similar exclusions being in travel insurance policies, they're free to raise this with the regulator - the Financial Conduct Authority.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 10 May 2024.

David Curtis-Johnson  
**Ombudsman**