

The complaint

Ms P is unhappy that AWP P&C SA haven't settled her travel insurance claim in full.

What happened

Ms P was hospitalised shortly before a holiday she had planned. She rebooked her trip for later in the year, at an additional cost. She says that AWP gave her the impression that they'd settle her claim in full, but they've only covered some of the additional costs.

AWP says they agreed to cover some of the costs under the cancellation section of cover but there wasn't cover for all the expenses Ms P was claiming.

Our investigator looked into what happened and didn't uphold the complaint. He thought that AWP had agreed to pay some of the costs, even though they weren't covered under the policy.

Ms P didn't agree. She thinks AWP should cover the difference in price between her original trip and the later trip. So, the complaint was referred to me to make a 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.

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 covers any irrecoverable unused and accommodation costs which the policyholder has paid or are contracted to pay together with any reasonable additional travel expenses in the event their trip is cancelled due to illness.

There's no dispute that Ms P wasn't able to fly due to her illness. However, she was able to rearrange her flights and accommodation with the providers. The accommodation and flights were more expensive. The policy doesn't offer cover for postponing the trip or incurring additional costs as a result of this. So, on a strict application of the policy terms there is no cover for the circumstances of Ms P's claim.

I've thought about whether it would be fair and reasonable to depart from a strict application of the policy terms and conditions. I don't think that it is in the circumstances of this case. Most travel insurance policies wouldn't offer cover for postponing a trip and incurring increased costs. And, Ms P hasn't lost out financially as she was able to use the funds from the first booking towards the cost of the holiday at a later date. I appreciate that AWP has made a payment towards some of the costs but I don't think it was required to do so.

I don't think AWP did give Ms P the impression that her claim would be settled in full. I've read the correspondence and I don't think that's what AWP said. I think they reasonably asked for information about the costs incurred as part of their claim handling process. So, I'm not persuaded by Ms P's representations on this point.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 9 May 2024.

Anna Wilshaw
Ombudsman