

## **The complaint**

Mrs M, Mr P and Mr P (hereafter referred to as Mrs M and family) have complained that AWP P&C SA declined a claim they made on a travel insurance policy and then also cancelled the policy.

The policy provided cover for Mrs M, Mr P, one adult child and two younger children. As it is Mrs M leading on the complaint, I will mostly just be referring to her in this decision.

## **What happened**

Mrs M and family were on holiday in August 2023. Upon returning to the UK they lost some bags, which they reported to the airport, and therefore made a claim on the policy. They had also made a claim for some medical treatment one of the children had received abroad.

One of the items being claims for was a laptop for which Mrs M provided a store card statement as proof of purchase (which going forward I'll call a receipt, for ease). However, when AWP checked with the retailer, it was told the transaction was for the purchase of a table and chairs, not a laptop.

As a result of this, AWP declined the claim in its entirety, cancelled the policy with immediate effect and refused cover going forward.

Our investigator thought that AWP had acted fairly and reasonably, in line with the terms and conditions of the policy. Mrs M disagrees with the investigator's opinion and so the complaint has been passed to me for 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.

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.

Looking at the policy terms, under 'General Conditions', it states:

*'15. You agree that we can:*

*\* Cancel the policy if you tell us something that is not true, which influences our decision as to whether or not cover can be offered or not.*

*\* Cancel the policy and make no payment if you, or anyone acting for you, make a claim under this policy knowing it to be dishonest, intentionally exaggerated or fraudulent in any way, or if you give any false declaration or deliberate misstatement when making a medical declaration, applying for upgrades or supporting your claim. We may in these instances report the matter to the police.'*

AWP asked Mrs M for her permission to contact the retailer in question. However, she declined this request, even having been told that the claim couldn't be progressed without it. In the event, AWP contacted the retailer anyway. Mrs M says she didn't agree to it because she wasn't sure about the receipt and she had told AWP that she wasn't sure about it.

Mrs M says she made a mistake and an error of judgment with the receipt for the laptop, which she has explained. She says AWP reported her to the police, but the police were satisfied that there had been a genuine mistake, although she hasn't provided any evidence about the outcome of any police involvement.

Part of Mrs M's complaint is that AWP 'tortured' her and her family by suggesting that the claim was progressing and that it repeatedly asked for the same information, including receipts. She told them she couldn't prove everything but would send what she could find, eventually sending the incorrect information for the laptop, which she has acknowledged.

I understand Mrs M's point. But she didn't have to provide the incorrect receipt for the laptop if she really was unsure about it. Given the concerns AWP had about the claim, it stands to reason that it needed to carry out a more in-depth investigation, which took time. So, I'm not persuaded there were any unnecessary delays.

Based on the available evidence, and on a balance of probability, I consider it reasonable for AWP to have concluded that Mrs M's actions had been dishonest, intentionally exaggerated or fraudulent. On that basis, it was entitled to cancel the policy, in line with the policy terms.

Mrs M says she provided other, legitimate receipts, and yet AWP won't pay out for any of the other items.

The Insurance Act 2015 sets out what insurers can do if a claim is false or exaggerated. This includes not having to pay any of the claim and being able to cancel the policy. So even though Mrs M may have suffered some genuine loss, AWP is entitled to decline the whole claim – both for the remaining items and for the medical expenses.

I have thought very carefully about what Mrs M has said and I understand she is very aggrieved by the course of action AWP has taken. But overall, I'm satisfied that AWP has reached a reasonable outcome based on its assessment of the available evidence. Therefore, I'm unable to conclude that it has done anything wrong in declining the claim and cancelling the policy.

### **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 Mrs M, Mr P and Mr P to accept or reject my decision before 24 May 2024.

Carole Clark

**Ombudsman**