

The complaint

Mr D and Ms R complain AWP P&C SA provided a poor level of service and settled their claim unfairly.

Mr D brings the complaint on behalf of himself and Ms R, so for ease I will refer to all submissions as having been made by Mr D.

What happened

Mr D and Ms R hold a packaged bank account which provides a travel insurance benefit. And the travel insurance is underwritten by AWP.

The family travelled abroad in July 2023 and stayed in rented accommodation. Unfortunately, while they were away, their accommodation was broken into and personal items were stolen as well as the spare keys for the accommodation.

Mr D said due to the keys having been stolen, and because he was travelling with his young child, the family decided to move to a hotel. Mr D received a refund from the owner of the rental accommodation, but the hotel the family moved to was more expensive.

After returning home, Mr D contacted AWP to make a claim for the stolen items as well as his costs for moving to a hotel. And he has said he was told by AWP that the extra cost of the new accommodation would be covered.

On 27 July 2023 AWP rejected the claim stating it was a duplicate. And on 31 July 2023, it sent another letter declining the claim because the crime wasn't reported to the police within 24 hours.

Mr D complained to AWP. He said he had attempted to report the crime to the police, but the police needed the owner of the accommodation to make the report.

The claim was declined again in September 2023, as AWP said the evidence showed the door was not locked and there was no sign of forced entry. Mr D disputed this, explaining how he had been told to lock the door of the accommodation.

On 5 October 2023 AWP told Mr D it would settle his claim for the stolen items and it responded to the complaint. It said Mr D had received a refund of the original accommodation costs, so it thought this meant Mr D had not suffered a loss. And it said the policy didn't cover loss of enjoyment. It apologised the claim had originally been declined in error and for the way the claim was handled. And it offered £100 in compensation.

Unhappy with the response, Mr D brought his complaint to this service. He said his original accommodation was refunded, however he'd had to pay extra for alternative accommodation, and said AWP had told him this would be covered. He was still unhappy with the claims process and delays, as well as the settlement amount, which he said didn't account for the negative impact on the holiday.

The case was passed to me to decide. I asked both parties to provide more evidence of the call and email communications during the claim. And after receiving this, I issued a provisional decision.

My provisional decision

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

And I’ve considered the relevant industry rules, which say insurers must assess claims fairly, provide reasonable guidance to help a policyholder make a claim, and appropriate information on claim progress, and mustn’t unreasonably turn down claims. New rules came into effect last year that mean, among other things, that financial firms are expected to provide support to their customers throughout their relationship, including during insurance claims.

Circumstances of the claim and the cover available

Travel insurance doesn’t necessarily cover every eventuality in terms of things that can go wrong when on holiday. So it’s important for me to consider the terms of the cover Mr D and his family had in place.

The accommodation was broken into on Mr D and his family’s first night of their holiday, while they were out having dinner. I appreciate how worrying and upsetting this would have been for them, and can understand why they would not have wanted to stay in that accommodation. However, this doesn’t automatically mean AWP needs to pay the costs of alternative accommodation.

There is cover under the policy for “*accommodation disturbance*” which states the insurer will pay the costs of irrecoverable unused travel and accommodation charges, as well as necessary additional travel expenses, such as taxis. However the terms state this cover applies only in the following circumstances:

“...if you have to: move to another accommodation at any point during your trip if you cannot use your booked accommodation as a result of

- a) Fire, flood, earthquake, explosion, volcanic eruption and / or volcanic ash clouds, tsunamis, landslide, avalanche, hurricane, storm; or*
- b) An outbreak of an infectious disease.”*

Mr D and his family moved to a hotel due to the burglary. There’s no cover for this circumstance within the policy, so I don’t think it was unfair that AWP didn’t pay the additional costs of the hotel and taxi journey. Mr D complained the settlement doesn’t include compensation for the impact to the family’s holiday. However, there is no cover under the policy for loss of enjoyment. So it follows that I don’t think AWP needed to pay anything in respect of this.

Mr D said AWP told him on three occasions that he would receive a refund for his accommodation costs if his claim was accepted. So I’ve also considered this. Having reviewed the calls and emails I’ve been provided with, I’ve found evidence of one occasion where AWP commented on covering alternative accommodation costs; this was during the call Mr D made to AWP on 28 June 2023.

AWP’s agent advised Mr D she would put him on hold while she checked if the accommodation costs would be covered. She stated “*as far as I can see, we can cover the*

accommodation if you can get confirmation from the police that you were unable to stay there”.

I've not found this cover provision within the policy terms, so I think AWP was acting fairly towards Mr D in saying it could cover the costs if the police had said the family couldn't stay in the original accommodation. However, the police report does not state it was unsafe for the family to remain at the accommodation, and I've seen no other evidence that the police gave this advice.

I've gone on to think about what's a fair and reasonable outcome, in view of the spare keys to the accommodation having been stolen. I can appreciate this would have caused Mr D and his family to feel unsafe and to want to move to a hotel. However, as I've explained, there is no cover within the policy for moving accommodation due to a burglary. And, Mr D received a full refund for the original accommodation, so I'm satisfied he's not made a loss. Although the alternative accommodation was more expensive, this was booked by Mr D and he could potentially have selected a cheaper option elsewhere. So for these reasons, I don't think it would be reasonable for me to ask AWP to pay anything towards the cost of the hotel.

The police report

Mr D has said AWP wrongly advised him that he should make the police report, rather than telling him this had to be done by the owner of the property.

I asked AWP for a recording of the call Mr D made to first report the burglary on 17 June 2023. During this call AWP asked if the crime had been reported to the police. Mr D stated *“So the owner is about to report it to the police now”* and he advised the owner had said *“... you should come to the police with me for your insurance claim.”* AWP's agent said *“one of the pieces of evidence we need is the police report, so we would suggest going to the police and filing a report”*.

Based on this conversation, I'm satisfied AWP didn't provide Mr D with any incorrect information about who should report the crime, as Mr D had already said that the owner of the accommodation was going to make the police report. And I don't think it was unreasonable for AWP to agree that Mr D should attend the police station, as it was his property that had been stolen.

I'm aware Mr D disputes some of the content of the police report. So I arranged to have the report translated again from the original version. And I'm satisfied the report states the owner of the accommodation said: *“There was no sign of forced entry and the tenant (who left early and was refunded) told us that she had not locked the front door with the appropriate locks.”* Whilst I appreciate Mr D disputes this and has said the door was locked, I don't think it was unreasonable that AWP relied on this information when assessing the claim against the policy terms. And so I don't think it was unfair that it declined the claim on this basis in September 2023. AWP has since accepted Mr D's further explanation of the automatic door lock which operated when the door was closed from the outside, which I think is fair.

Settlement for the stolen items

Mr D has said he's unhappy that the makeup and related items belonging to Ms R have not been included in the settlement. Mr D confirmed these were purchased in 2019 and due to depreciation, AWP has said there is no value to reimburse. This is in line with the policy terms which are as follows. So I'm satisfied this part of the claim has been assessed fairly.

“We will pay you up to £2,500 [...] to: Replace, reinstate or repair your baggage. Claims will be considered on a new for old basis provided the item is less than 2 years old at the date of the incident and you can provide the original purchase receipt. All other items will be subject to a suitable deduction for wear and tear and depreciation [...].”

Delays and customer service issues

AWP accepted it caused some delays and handled the claim poorly. And it offered £100 in respect of the distress and inconvenience caused to Mr D. I've carefully reviewed the calls and email correspondence alongside the claim journey. Having done so, I don't think £100 is enough to put things right; and I'll explain why.

- Mr D has evidenced he called AWP's claims line on 27 June 2023 and the call lasted 12 minutes. He said he was told he would receive an email with a claim pack. The next day, Mr D hadn't received an email so he called AWP again. I've listened to this second call, and the agent Mr D spoke to could find no record of the claim being logged the previous day and went through the claim from the start. I asked AWP for a copy of Mr D's first call, but it said it was unable to locate it. Based on the call records Mr D provided, and the references he made to his knowledge of the claims process during his second call, I'm persuaded that he went through his claim details on 27 June 2023, and that AWP failed to log or action this.
- Mr D raised his claim at the end of June, and it was first declined around a month later. Mr D received a letter dated 27 July 2023 stating his claim had been declined because it was a duplicate. This letter appears to have been sent in error, as AWP also sent a letter a few days later on 31 July 2023, declining the claim for a different reason.
- In its letter on 31 July 2023, AWP said the claim was declined as the crime wasn't reported to the police within 24 hours in line with the policy terms. AWP said it declined the claim in error at this point, and has said it should have discussed the full circumstances of the claim with Mr D and been more thorough to ensure it made the correct decision.

Mr D had to explain the full details of his claim twice due to his claim not being logged following his first call. I accept having to explain the circumstances of the burglary from the start again was distressing. And I think the two letters sent at the end of July declining the claim for different reasons would have caused Mr D confusion as to what was happening. AWP accepted it declined the claim in error at that point, and I note Mr D got back in touch with AWP multiple times because of this. And, I've seen that he was he was in contact with both the claims and complaints teams, and at times received conflicting correspondence. For these reasons, I'm persuaded £100 does not adequately reflects the level of distress and inconvenience caused in the circumstances of this case. And I'm minded to direct AWP to pay £250.”

The response to my provisional decision

AWP responded and said it would accept the decision. Mr D also responded. He questioned his entitlement to costs in circumstances where the police advise a property is unsafe. And he said he was not advised about this when he first called, and could not be expected to know all of the policy terms.

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.

And I've considered again my provisional findings in light of the response.

Mr D said he was not told when he first called AWP, that he should ask the police if it was unsafe to stay in the accommodation. There isn't a provision within the policy for the particular circumstances which caused Mr D and his family to move to another accommodation. So I can't fairly say AWP should have advised Mr D to ask the police if it was safe to stay at the property, during the initial call.

When Mr D called to make his claim and asked about the costs of changing accommodation, AWP said it could cover this if the police had advised the accommodation was unsafe. As this is not a benefit of cover listed within the terms, I think AWP was acting beyond the terms of the policy in making this offer. And I think this shows fair treatment to the consumers.

However, as I've seen no evidence that the police had given this advice, and as Mr D received a full refund for the original accommodation, I still think it's reasonable that AWP declined to cover the additional accommodation costs.

As the points Mr D raised haven't changed my mind, I see no reason to depart from the conclusions set out in my provisional decision and summarised above.

My final decision

For the reasons I've given, it's my final decision that I uphold this complaint and direct AWP P&C SA to pay Mr D and Ms R a total of £250 in respect of the distress and inconvenience caused. This is £150 in addition to the £100 it had already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms R to accept or reject my decision before 12 July 2024.

Gemma Warner
Ombudsman