

The complaint

Mr H and Ms Z are unhappy that AWP P&C S.A. declined a claim made on their travel insurance policy.

What happened

Mr H and Ms Z were due to travel abroad. However, their train was delayed, and they arrived at the airport too late to catch their flight. They ended up paying around £1,400 to rearrange their outbound flight for the evening after – over 24 hours after their original departure time.

They made a claim under the policy which was declined by AWP. It concluded that the claims weren't covered under the cancellation or travel delay sections of the policy. Unhappy Mr H and Ms Z complained to AWP.

AWP maintained that its decision to decline was fair. However, it did pay Mr H and Ms Z £150 compensation to reflect the inconvenience it caused them for taking too much time to review and then decline the claim and asking for the same documentation more than once.

Mr H and Ms Z continued with their complaint to the Financial Ombudsman Service. Our investigator looked into what happened and didn't uphold the complaint.

Mr H and Ms Z disagreed so their complaint was passed to me to consider everything afresh to decide.

I issued my provisional decision earlier in June 2024, explaining why I was intending to partially uphold this complaint. I said:

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

Travel delay

The policy terms provide cover for travel delay. Relevant to the circumstances of this complaint, the terms say:

If your or a travelling companion's trip is delayed for one of the covered reasons listed below, we will reimburse you for the following expenses, less available refunds, up to the maximum benefit for 'Travel delay' shown in the 'benefits summary'...

...If the delay causes you to miss the departure of your flight or train due to a local public transportation delay on your way to the departure airport or train station, necessary transportation expenses to either help you reach your destination or return home.

Local public transportation is defined as:

Local, commuter or other urban transit system carriers (such as commuter rail, city bus, subway, ferry, taxi, for-hire driver or other such carriers) that transport you or a travelling companion less than 150 kilometres.

It goes on to say the delay must be for at least the 'minimum required delay' shown in the 'benefits summary' and due to specified covered reasons.

The benefits summary reflects that the minimum required delay length is four hours. Looking at the policy definition of 'trip', I'm satisfied that the holiday Mr H and Ms Z had booked and for which they missed their outbound flight from the UK meets that definition.

AWP has declined the claim for travel delay because it says the Mr H and Ms Z's train (which I'm satisfied fits within the policy definition of 'local public transportation') was delayed for less than four hours.

There's evidence to support that the train delay was between 90 and 120 minutes so I accept the train was delayed for less than four hours.

However, I don't think it's clear in the policy terms set out above that it's the length of the delay of the local public transportation (causing the beneficiary of the policy to miss the departure of the flight) which is subject to the minimum required delay of four hours. I think it's fair and reasonable to conclude that the minimum required delay applies to how long the trip has been delayed for.

The section of the policy starts: "If your or a travelling companion's trip is delayed for one of the covered reasons listed below..." And then goes on to say: the delay must be for at least the 'minimum required delay' shown in the 'benefits summary' (four hours).

So, I'm not currently satisfied that the reason put forward by AWP to decline a claim under the travel delay section of the policy is fair and reasonable in the circumstances of this case as the start of the trip was delayed for more than four hours (indeed, it was delayed by over 24 hours).

I think AWP should reassess the travel delay claim in light of the remaining terms of the policy, including whether there's a covered reason under the travel delay section of the policy and financial limits.

Cancellation

I think AWP has fairly concluded that the claim isn't covered under the cancellation section of the policy.

Although that section provides cover for a trip being cancelled or rescheduled – that's only for covered reasons.

One of the covered reasons is:

Your travel carrier cannot get you to your original itinerary's destination for at least 24 consecutive hours from the originally scheduled arrival time due to one of the following reasons:

- a. A natural disaster
- b. Severe weather

As I'm satisfied that neither of those reasons led to Mr H and Ms Z arriving late to their

ultimate destination (and there's no other insured event relevant to the circumstances of this claim listed in the cancellation section of the policy), I'm satisfied that AWP has fairly concluded that there's no cover for cancellation.

Other issues

AWP accepts that it took too long to review the claim and provide a claim outcome to Mr H and Ms Z. It also accepts that it asked Mr H and Ms Z for documentation in relation to the claim more than once.

I accept this would've been frustrating for Mr H and Ms Z and it caused them unnecessary inconvenience. However, I'm satisfied that the payment of £150 compensation already made to it by AWP fairly reflects the impact its' errors had on Mr H and Ms Z in this respect.

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I invited both parties to provide any information in response to my provisional decision. Mr H and Ms Z agreed with my provisional decision. AWP didn't. In summary it said:

- A claim for trip delay must be for one of the listed covered reasons and none of the reasons apply to the circumstances of this claim.
- The delay wasn't due to a travel carrier delay as the policy definition of 'travel carrier' expressly excludes local public transportation. And the policy definition of local public transportation doesn't include local, commuter or other urban transit system carrier (such as commuter rail, city bus, subway...).
- If the policy offered cover in the event of a delay to local public transportation, the wording under this section could provide the additional clarity that the "minimum required delay" specifically relates to the time the local public transportation was delayed for. This would not be clarified in the wording for circumstances that the policy terms do not provide cover for.

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.

Having done so, I uphold this complaint. For reasons set out in my provisional decision (an extract of which is set out above), I'm satisfied that the reason given by AWP when declining the claim (and in the final response letter) isn't fair and reasonable. My provisional decision forms part of this final decision.

In response to my provisional decision, AWP has said that the delay wasn't caused by a covered reason as the train delay to the airport doesn't amount to a travel carrier delay. However, that's not the reason it's given Mr H and Ms Z for declining the claim.

When reassessing the claim, if AWP wants to rely on this reason for declining the claim, it'll have to communicate that to Mr H and Ms Z.

Putting things right

Within 21 days of the Financial Ombudsman Service notifying AWP that Mr H and Ms Z accept this final decision, I direct AWP to reassess the travel delay claim in light of the remaining terms of the policy, including whether there's a covered reason under the travel delay section of the policy and financial limits.

My final decision

I partially uphold this complaint and direct AWP P&C S.A. to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Ms Z to accept or reject my decision before 25 July 2024.

David Curtis-Johnson
Ombudsman