

The complaint

Mr C and Ms M have complained that AWP P&C S.A. declined a claim they made on a travel insurance policy linked to a bank account.

As it is Mr C leading on the complaint, I will mostly just be referring to him in this decision.

What happened

Mr C and Ms M were on a trip abroad in March 2023. This involved taking a train on 27 March 2023 from one country to another, where they were then due to fly home from on 28 March 2023.

On 26 March 2023 they were informed that the train had been cancelled due to a strike. They had to make alternative travel arrangements to ensure that they got to the airport in time to catch their flight home. Mr C then made a claim on the policy for the additional costs. AWP declined the claim on the basis that the circumstances were not covered under the policy terms.

Mr C subsequently made a claim on another travel policy that he has. The claim was successful, however, he would like AWP to pay the £100 excess that the other insurer deducted from the settlement amount.

Our investigator thought that AWP had acted reasonably in declining the claim. And she didn't think there was any reason to ask AWP to pay the excess charged by the other insurer.

Mr C 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.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Looking at the policy terms, under 'Travel delay', it states:

'The benefit provided below is intended to provide compensation if you are delayed at your point of departure and is only applicable if you have travelled there and checked-in. If you

have not travelled to your departure point you will not be covered, even if you have checked-in online.'

Under 'Missed departure', it states:

'The benefit provided below is intended to provide compensation if you do not reach your point of departure until after the latest time permitted by the carrier for check-in or boarding. If you arrive too late (as shown on your ticket or itinerary) to board your pre-booked public transport at any of your trip departure points as a result of:.....'

The train was cancelled a day in advance, rather than Mr C finding out about it when he reached the station. And he didn't miss the train departing, as it had been cancelled. So, based on the above wording, I'm satisfied that Mr C's circumstances are not covered under either the travel delay or missed departure sections of the policy.

Mr C says he was at the departure point as he was in the city that the train was due to depart from. He's also said that checking in is not a feature of train travel. I understand he feels that the terms are so restrictive as to be worthless as a travel insurance policy.

As already mentioned, insurance policies aren't designed to cover every scenario and insurers are entitled to choose what they will and will not cover – as long as these are clearly set out - and I consider the above policy wording to be clear. Overall, I'm satisfied that it was fair and reasonable for AWP to decline the claim.

Regardless of that, Mr C actually made a successful claim on another travel insurance policy that he had. So AWP wouldn't be in a position to reverse its decision anyway, as it is not possible to claim for the same incident under two different insurers. However, I do appreciate that he isn't asking for that and that he now wishes AWP to cover the excess that was deducted by the other insurer.

There's no provision under the policy terms to cover the excess relating to a claim on an alternative policy. Having thought about what Mr C has said, I've considered whether it would be appropriate to ask AWP to act outside of the policy terms to do so. However, as I've concluded that it was reasonable to decline the claim in the first place, I find no reason for it to cover the excess amount.

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 Mr C and Ms M to accept or reject my decision before 22 October 2024.

Carole Clark
Ombudsman