

The complaint

Mr A has complained that AWP P&C S.A. declined a claim he made on a travel insurance policy he has associated with a bank account.

What happened

Mr A had booked a trip abroad which was due to start on 30 March 2023. His mother, brother and sister, who reside in another country, were due to meet him at the destination to share a holiday together.

Mr A's brother then suffered a health issue on 21 March 2023. Having undergone a medical procedure, according to Mr A, he was advised not to travel until 1 April 2023. As a result of this, Mr A rearranged his trip to start on 1 April 2023 and made a claim on the policy for unused and additional costs incurred, such as the rearranging of car hire and flights.

AWP declined the claim on the basis that the circumstances were not covered under the policy terms.

I wrote a provisional decision last month in which I explained why I was considering upholding the complaint and giving the parties a chance to comment further. AWP's response was that it had nothing to add. No response was received from Mr A.

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.

As I explained in my provisional decision, there was some poor service in the way that the claim was handled. In particular, I considered that AWP had failed to understand the basis of Mr A's claim, even though he had been clear about the circumstances. It also hadn't responded to a separate claim he wished to make for damage to prescription glasses, whereas I considered that it could have informed Mr A at an early stage that prescription glasses are not covered under the policy. Therefore, I thought that AWP should pay £100 for distress and inconvenience.

In relation to the cancellation claim, the policy terms state:

'If your trip is cancelled or rescheduled for a covered reason listed below, we will reimburse you for your non-refundable trip payments, deposits, cancellation fees and change fees (less any available refunds), up to the maximum benefit for 'Trip cancellation' cover shown in the 'Benefits summary'. NOTE: This benefit only applies before you have left for your trip.

Covered reasons:

1. *You or a travelling companion becomes ill or injured, or develops a medical condition disabling enough to make you cancel your trip...*

The following conditions apply:

- a. *A doctor advises you or a travelling companion to cancel your trip before you cancel it.*

AWP had a number of objections to considering the claim under the trip cancellation part of the policy. These were that:

- That the trip wasn't cancelled but postponed for two days;
- That Mr A's brother didn't meet the definition of 'travelling companion'; and
- That the reason Mr A's brother couldn't travel was not as the result of a disabling medical condition but because he wasn't given permission to travel

As stated in my provisional decision, I did appreciate the argument about the trip only being postponed and that Mr A could have travelled as planned, with his wider family joining him two days later. But, looking at the above policy wording, it states that there is cover '*if your trip is cancelled or rescheduled*'. I would say that Mr A rescheduled the trip due to the inability of his brother to travel on the original start date.

The definition of '*travelling companion*' is: '*A person or service animal travelling with you or travelling to accompany you on your trip....*'

It is the case that Mr A's brother wasn't actually travelling with him but was meeting him at the destination. But I wasn't persuaded that the policy terms required them to be travelling together. As I read it, the above term defines a travelling companion as someone travelling with the policyholder *or* travelling to accompany a policyholder on their trip. Mr A has provided evidence of the accommodation he was sharing with his wider family members. So, overall, I'm satisfied that his brother was accompanying Mr A on the substantive part of his 'trip'. The term is ambiguous, in which case I think it would be fair to interpret it in Mr A's favour.

There had been some discussion about how long Mr A's brother was in hospital for. However, I explained in my provisional decision that the key issue was whether he was medically fit to travel and that it wouldn't be fair for AWP to try to separate out the medical condition and hospitalisation period from the post-operative care, as that care formed part of his treatment. It wasn't until he had successfully completed those post-operative checks that the disabling condition would be deemed to have been resolved.

Overall, I consider it would be fair and reasonable for AWP to reassess the claim under the trip cancellation part of the policy, treating his brother as a travelling companion who was medically disabled and unfit to travel until given permission by a medical professional to do so.

As neither party has made any further substantive comments, I see no reason to depart from the outcome I reached in my provisional decision. It follows that I uphold the complaint.

Putting things right

AWP should put things right by:

- Re-assessing the claim under the trip cancellation section of the policy, assuming his brother to be a travelling companion who was disabled from travelling by a medical

condition until cleared to travel by a medical professional, but subject to the remaining terms and conditions of the policy.

- Pay £100 compensation for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold the complaint and require 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 A to accept or reject my decision before 30 December 2024.

Carole Clark
Ombudsman