

The complaint

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

What happened

Mr and Mrs S were on a holiday abroad that began on 7 May 2024. Unfortunately, Mr S suffered a broken hip following an accident on 10 May 2024 and was hospitalised. They returned to the UK on 19 May 2024, which coincided with their planned return date.

Mr S made a successful claim on another policy. However, Mrs S made a curtailment claim on this policy for her half of the cost of the trip.

AWP declined it 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 minded to uphold the complaint. In response, both parties said they had no further substantive comments.

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 wording, under section 1 for cancellation or curtailment, it states:

'What is covered

We will pay you up to £5,000 (inclusive of any valid claim payable under Section 3 – Travel disruption cover and Section 11 – Winter sports (Ski pack)) for any irrecoverable unused travel and accommodation costs (including excursions and other pre-paid charges) which you have paid or are contracted to pay together with any reasonable additional travel expenses, due to any of the following necessary and unavoidable events:

- *Cancellation of the trip; or*
- *You fully curtail (cut short) your trip before completion or partially curtail (interrupt) your trip for more than 48 hours; or You have to make an early return home as a result of any of the following events occurring:*
 1. *The death, bodily injury or illness of:*
 - a. *You;*

- b. Any person with whom you are travelling or have arranged to travel with;*
- c. A relative of you or any person with whom you are travelling or have arranged to travel with;*
- d. Any person with whom you have arranged to reside temporarily; or*
- e. Your business colleague.*

Note:

• For partial curtailment due to your admittance to hospital or confinement to your accommodation, we will provide cover for one other insured person to stay with you, if we have agreed that this is medically necessary.

What is not covered

9. Partial curtailment (interruption) claims where you were not admitted to hospital for longer than 48 hours or where the treating doctor has not confined you to your accommodation for at least 48 hours.

10. Any claim arising from a reason not listed in the 'what is covered' section.'

Mrs S was not the one injured and in hospital. Neither did she return to the UK early. So, on a strict interpretation of the above policy terms, her claim wouldn't be covered. However, as mentioned in my provisional decision, I can depart from a strict application of the contract terms if I conclude they produce an unfair result.

I set out in my provisional decision how Mrs S was spending her days travelling to the hospital to care for her husband. I concluded that it was medically necessary for her to spend that time caring for him, particularly given his medical history.

The main reason AWP gave for declining the claim was that Mrs S had used the hotel accommodation. Although Mrs S was using the hotel, in the sense that she was returning to the room to eat and sleep, I concluded she wasn't using the accommodation as intended. It wasn't a case of her choosing not to use the available facilities at the resort. Rather, it was a necessity to spend the majority of her time at the hospital.

Based on the available evidence, I considered that her trip was effectively curtailed from the date that Mr S was hospitalised. Therefore, AWP should reconsider the claim for curtailment on that basis.

As neither of the parties had anything substantive to add, I see no reason to depart from the outcome I reached in my provisional decision. It follows that I uphold the complaint.

My final decision

For the reasons set out above, my final decision is that I uphold the complaint and require AWP P&C S.A. to re-consider the claim for curtailment, in line with the remaining terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 6 March 2025.

Carole Clark
Ombudsman