

The complaint

Mr and Mrs M are unhappy that AWP P&C SA (AWP) declined their travel insurance claim.

What happened

Mr and Mrs M have a travel insurance policy alongside their bank account. AWP is the underwriter.

In February 2024, Mr and Mrs M booked a trip and they were due to travel on 27 July 2024. Mrs M was confirmed to be pregnant on 13 July 2024. They sought medical advice from their GP due to the risk of Zika virus at their planned destination. They said the GP and the Foreign and Commonwealth Development Office (FCDO) advised Mrs M not to travel. So, they cancelled their holiday.

Mr and Mrs M submitted a claim for the cancellation of their trip. AWP declined the claim as the situation that led to the cancellation wasn't covered under their policy.

Unhappy, Mr and Mrs M brought their complaint to this service. Our investigator didn't uphold the complaint. She didn't think the claim had been declined unfairly and AWP had acted in line with the policy terms and conditions.

Mr and Mrs M disagreed and asked for the complaint to be referred to an ombudsman

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). The 'Insurance Code of Business Sourcebook' (ICOBS) includes the requirement for AWP to handle claims promptly and fairly, and not to decline a claim unreasonably.

At the outset, I have every sympathy with the situation Mr and Mrs M have found themselves in. I also understand why they decided not to go ahead with their trip. But I need to consider whether the circumstances mean AWP should accept the claim for the costs of their cancelled trip.

I've looked at Mr and Mrs M's policy terms and conditions as this forms the basis of their insurance contract with AWP. There are several terms within the policy which are relevant to this complaint.

Having carefully considered everything available to me, I'm satisfied AWP acted in line with the policy terms and I won't be upholding the complaint. I'll explain why:

- Mr and Mrs M have said they cancelled their trip due to the potential risk of contracting Zika virus. This isn't an event covered under the cancellation section within the policy.

- At the time they cancelled their trip, the FCDO wasn't advising travellers against 'all or all but essential travel' to their destination country.
- The FCDO term is a specific term referenced in the policy. The FCDO advice was to take steps to avoid mosquito bites.
- The FCDO page also provided a link to the National Travel Health Network which gives wide-ranging advice including that pregnant women consider avoiding travel until after the pregnancy. But it also goes on to give precautionary advice about taking steps to avoid mosquito bites.
- I've carefully considered the letter from Mrs M's GP. This said in line with FCDO guidelines on foreign travel in pregnancy, it wouldn't be medically advisable for Mrs M to travel. The FCDO advice was to consider postponing travel but to take precautions against mosquito bites.
- The policy also states there is no cover for cancellation if the reason is 'not wanting to travel'. I fully appreciate it was for reasons that are understandable but that is what's happened in the circumstances here.

Having carefully taken everything into account, I'm sorry to disappoint Mr and Mrs M, but insurance policies don't cover every eventuality. Despite their very valid reasons for cancelling their trip, on balance, I don't think AWP declined the claim unfairly or outside the terms and conditions of the policy.

My final decision

For the reasons given above, I don't uphold Mr and Mrs M's complaint about AWP P&C SA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 31 March 2025.

Nimisha Radia
Ombudsman