

The complaint

Mr and Mrs R complain that AWP P&C S.A. declined their travel insurance claim. My references to AWP include its agents.

What happened

Mr and Mrs R had travel insurance through a bank account, insured by AWP. They and their children were due to fly abroad at 9.10am for a seven day holiday. However when they woke they saw an email from the airline sent at 2.04am that morning which said the outbound flight had been cancelled, no reason was given.

Mr and Mrs R said they immediately checked the airline's website for flight availability, as it told them to do. There were no available flights to the destination on there until two days later. Mr and Mrs R said they didn't want to lose the hotel costs or delay the holiday any further so they looked at other airlines' websites and booked the only available flight they could see that was leaving for the destination the same day. The alternative flight, with another airline, cost about £4,000.

Mr and Mrs R received a refund from the airline for the cancelled outbound flight. They claimed on their travel insurance for the shortfall of £3,398.

AWP declined the claim. It said the benefit under the 'Travel Delay' section of the policy only applied if Mr and Mrs R had travelled to the airport and checked in, which hadn't happened.

Mr and Mrs R complained to us saying AWP's reason for not paying their claim was unfair. They'd told AWP they'd checked in online and received boarding passes several days before the scheduled outbound flight. As the airline had told them the flight was cancelled they had no reason to go to the airport for that flight.

Our Investigator considered that AWP had fairly declined the claim. He provided details of the Civil Aviation Authority website for Mr and Mrs R to look at to see if they could claim any compensation from the airline that cancelled the flight.

Mr and Mrs R want an Ombudsman's decision. They said our Investigator hadn't taken into account that the reason AWP declined the claim was 'wholly unreasonable and illogical' in their circumstances. They added that at the time of booking the alternative outbound flight they didn't know they would be refunded for the cancelled flight.

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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I need to decide if AWP reasonably declined Mr and Mrs R's claim, and I think it did. I'll explain why.

The relevant policy terms say:

“Travel delay

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 (my emphasis).

The policy goes on to detail the benefits provided for travel delay. But the policy wording that I’ve emphasised in bold above is clear that to be eligible for the benefit Mr and Mrs R must have been at the point of departure (even if they’d checked in online) when the delay occurred.

As Mr and Mrs R weren’t at the airport before the airline cancelled the original flight AWP correctly said the claim wasn’t covered by the policy terms.

I also need to decide what’s fair and reasonable in all the circumstances of this complaint. Mr and Mrs R reasonably didn’t travel to the airport for the original flight because they already knew that flight was cancelled. I understand why they bought an alternative flight for that day, they reasonably didn’t want to lose two days of a seven day holiday while waiting for an alternative flight with the original airline. Understandably they didn’t want to lose the hotel costs by not going on holiday. But that doesn’t mean it’s reasonable for AWP to pay their claim.

Travel insurance policies don’t cover every situation a consumer may find themselves in. It’s for the insurer to decide what risks it’s willing to cover and set those out in the terms and conditions of the policy. An insurer is reasonably entitled to cover only last minute cancellations when the consumer is already at the airport checked in so long as the policy terms and conditions are clear about that, as they are in this policy.

Mr and Mrs R had a very frustrating and disappointing experience through no fault of their own when the flight was cancelled. But given the clear policy wording that AWP doesn’t cover their situation, as they weren’t at the airport and checked in when their flight was cancelled, I can’t fairly say AWP should cover their claim. My decision wouldn’t be any different if Mr and Mrs R had received a refund for the cancelled flight before they booked the alternative flight.

My final decision

I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr R and Mrs R to accept or reject my decision before 12 May 2025.

Nicola Sisk
Ombudsman