

### **The complaint**

Mrs B has complained that AWP P&C S.A. declined a claim she made on a travel insurance policy.

### **What happened**

Mrs B was due to take a trip abroad in October 2024. Unfortunately, she was unable to stay at her intended accommodation due to her host experiencing a bereavement. She therefore cancelled the trip and made a claim on the policy for unrecoverable costs.

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

Our investigator thought that AWP had acted reasonably in declining the claim, in line with the policy terms and conditions. Mrs B disagrees and so the complaint has been forwarded 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.

So, I've considered the terms of the policy Mrs B held, as this forms the basis of contract between the parties. Under the cancellation section, it states:

#### *'What is covered:*

*We will pay you up to £5,000 for your share of the cost of your trip as a result of:*

- *The death, bodily injury or illness, as certified by a doctor, of you, your travelling companion, or a relative of yours or your travelling companion (including being diagnosed with an epidemic or pandemic disease such as COVID-19); or*
- *The death, bodily injury or illness, as certified by a doctor, of your business colleague, or a friend or relative with whom you had arranged to stay or travelling companion or a friend or relative with whom you had arranged to stay; or*

#### *What is not covered:*

- *Any claim arising from a reason not listed in the ‘What is covered’ section.’*

Under the policy terms, a ‘relative’ is defined as:

*‘Your family (including your children, step-children or foster children where they are over the age of 18), your parent, step-parent, grandparent, parent-in-law, grandparent-in-law, sister, brother, step-sister, step-brother, sister-in-law or brother-in-law.’*

Mrs B was due to travel with a friend to stay with the friend’s mother abroad. Unfortunately, a cousin of the friend died in the UK. This meant that the friend’s mother then needed to travel to the UK to be with family.

As a cousin is not included in the definition of ‘relative’, there’s no cover under bullet point 1 above. And, as the person she was due to stay with wasn’t unwell or died, there is no cover under bullet point 2 above.

Mrs B doesn’t dispute this or that her claim ‘technically’ isn’t covered by the policy terms. However, she believes that AWP should still pay the claim due to the unforeseen nature of what happened and the consequences to her as a result.

Whilst it is the case that insurance is designed to cover unforeseen events, as already mentioned, they don’t cover every eventuality. AWP has set out a specific list of circumstances that it covers under the cancellation section of the policy. Furthermore, it states very clearly that anything that isn’t mentioned in that list is not covered.

In response to the investigator’s view, Mrs B has referenced some FCA guidance. I’ve thought about what she’s said but, overall, I’m not persuaded that there have been any regulatory breaches in this case.

I’ve also thought about whether it would be fair, in this particular instance, to require AWP to act outside the policy terms to cover the claim. However, I don’t consider it needs to do that.

I have a great deal of sympathy for Mrs B’s situation. It was indeed an unforeseen event that was outside of her control that caused her to cancel the trip. I also acknowledge what she’s said about the distress and disruption she’s felt. However, the matter at hand is whether AWP has done anything significantly wrong – and I’m unable to conclude that it has. I’m satisfied that it was reasonable for it to decline the claim, in line with the policy terms and conditions. It follows that I do not uphold the complaint.

### **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 Mrs B to accept or reject my decision before 29 December 2025.

Carole Clark  
**Ombudsman**