

## **The complaint**

Mr and Mrs M are unhappy with the way American International Group UK Limited ('AIG') handled a claim made under their travel insurance policy ('the policy').

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my 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.

AIG has a regulatory obligation to handle insurance claims fairly and promptly. And not to unreasonably decline a claim.

## **The decision to decline the claim**

I empathise with the situation Mr and Mrs M found themselves in. Their outbound international flight was delayed through no fault of their own. This had a knock-on effect on their travel plans and their connecting flight.

I know Mr and Mrs M will be disappointed but for the reasons set out below, I'm satisfied AIG fairly and reasonably declined their claim for out-of-pocket expenses in connection with the delay.

Subject to the remaining terms of the policy, 'travel delay and abandonment' is covered. The policy terms say:

We will pay up to the amount shown in the table of benefits if your final international departure from or to your country of residence by aircraft, sea vessel, coach or train or any other mode of travel by public transport is delayed for more than 12 hours due to poor weather conditions, a strike, industrial action or mechanical breakdown. We will pay a benefit for each complete 12 hour period that you are delayed.

The amount shown in the table of benefits is £35 per 12 hours, up to a maximum amount.

That section of the policy goes on to say:

If your outward journey is delayed by a minimum of 24 hours you can abandon your holiday and cancel your trip, you can claim up to the amount shown on the table of benefits under Section A.1 (Trip Cancellation) or under Section A.2 (Trip Curtailment).

Mr and Mrs M say their outbound flight from the UK was delayed by around eight hours. So, I'm satisfied that AIG has fairly and reasonably relied on the policy terms to decline the claim

as the delay hadn't lasted 12 or 24 hours, for a successful claim to be made under this section of the policy.

### **The way the claim was handled**

I am satisfied that AIG should've reasonably informed Mr and Mrs M at an earlier stage that the claim wasn't covered because of the length of the delay. Mr M had told AIG that the delay was around eight hours, but it requested more information in support. Regardless of evidence in support of this delay, it was less than 12 hours so not covered under the travel delay and abandonment section of the policy.

Had Mr M been informed of this earlier, as he should've been here, it would've prevented him going to the trouble of providing more information and the outcome of the claim would've been communicated to him earlier. I think £100 fairly reflects the impact of this error on Mr and Mrs M.

### **Other issues**

Mr and Mrs M say they were not provided with requested meals from the airline including baby food (for their infant child) during the delayed travel. This would've been very upsetting, but I don't think AIG is responsible for the actions of the airline.

Mr M would also like AIG to confirm that all his sensitive data has been deleted and only necessary information had been retained on its systems. AIG has confirmed that it retains information for seven years in case of any further dispute and court limitation periods. I don't think that's unusual, or unreasonable in the circumstances. However, AIG has confirmed that Mr M has been removed from its survey list. I think that's fair and reasonable. Mr and Mrs M are free to raise any concerns about the retention of their data to the Information Commissioner's Office.

Mr and Mrs M would also like AIG to refund the premium they paid for the policy. However, I don't think that would be fair and reasonable. Although the claim was declined under the policy, AIG was still insuring the risk of a successful claim being made on the policy for an insured event.

### **Putting things right**

I direct AIG to pay Mr and Mrs M £100 total compensation for distress and inconvenience (this includes the £50 Mr M says AIG offered to pay).

### **My final decision**

I partially uphold this complaint to the extent set out above and direct American International Group UK Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 2 January 2026.

David Curtis-Johnson  
**Ombudsman**