

## The complaint

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

As Mr W has taken the lead on the claim and complaint I'll refer to Mr W to include both complainants unless the facts require otherwise.

## What happened

Mrs and Mr W and their three children were insured under an annual travel insurance policy. The insurer was AWP.

Mr W and his family were delayed on their way to a UK airport when a serious traffic accident caused closure of the motorway they were on. As a result they missed their flight abroad. Mr W was able to reschedule the flight for the next day. He claimed on the policy for the lost night at the all-inclusive hotel abroad, the costs of two separate rooms due to no availability of family rooms at the UK airport hotel and food costs, a total of about £1,500.

AWP said Mr W had clearly shown the unexpected traffic accident which resulted in significant delays and caused the missed departure. But AWP declined the claim. Its final response letter to Mr W said the claim wasn't covered by the policy terms because, although missed departure due to a traffic accident was covered, the policy defined 'traffic accident' as an event causing injury or property damage and the injury or property damage needed to be to Mr W or his vehicle, which wasn't the situation. Instead AWP offered Mr W £100 compensation for his inconvenience.

Mrs and Mr W complained to us that AWP's decision was unfair. In summary Mr W said:

- The claim was covered under the 'Travel delay' section of the policy. That section doesn't say injury or property damage must happen to him personally or his vehicle. AWP had relied on a definition of 'traffic accident' elsewhere in the policy but the restriction isn't clearly cross-referenced in the 'Travel delay' section nor highlighted at the point of sale nor in the Insurance Product Information Document (IPID).
- By introducing the unstated requirement of direct involvement into the definition of a traffic accident, AWP added a limitation that's not clear from the policy wording nor consistent with its ordinary meaning.
- The Financial Conduct Authority (FCA) rules say policy terms should be clear, fair and not misleading. The policy wording was ambiguous as a reasonable person would expect delay by a traffic accident to be covered even if not directly involved. Where ambiguity exists, it should be interpreted in favour of the consumer.
- He bought a comprehensive Platinum level holiday insurance policy with the expectation that cover for a 'traffic accident' would include where his journey was delayed due to an accident, regardless of whether his vehicle was involved.
- This situation was entirely beyond his control and he took all reasonable steps to notify the airline so he didn't have to buy new flights and minimised extra costs.

- He wants AWP to pay his claim. He hadn't accepted AWP's compensation offer as he thought the £100 was instead of the costs claimed. He would like modest compensation for his distress and inconvenience given his time and stress in appealing and complaining about AWP's decision.

Our Investigator said AWP had unreasonably declined the claim. They recommended AWP pay the claim for £1,500 once evidenced, less any policy excess and pay Mrs and Mr W the £100 compensation already offered for their distress and inconvenience.

AWP disagreed. It said its final response letter gave the wrong reason to decline the claim.

AWP now said the policy only covered missed departure of a flight due to a local public transportation delay on route to the airport and only transport expenses to continue the trip were covered, which wasn't Mr W's circumstances or claim. It increased its compensation offer to £250 which it said reflected Mr W's additional distress and inconvenience due to it giving the wrong reason for the claim decline.

Mr W didn't accept AWP's new offer, he wants the claim paid. Our Investigator said AWP's response didn't change their recommendation.

AWP wants an Ombudsman's decision so the complaint has been referred to me.

### **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 policy says at section 3 'Travel Delay':

*'If your or a travelling companion's trip is delayed for one of the covered reasons listed below, we will reimburse you for the following expenses, less available refunds and appropriate excesses, up to the following maximum benefits for 'Travel delay' shown in the 'Cover summary'.*

#### *Delay*

*1. Your lost prepaid trip expenses and additional expenses you incur while and where you are delayed for meals, accommodation, communication and transportation, subject to a daily (24 hours) limit listed under Delay in your 'Cover Summary', as follows:*

- *If you provide receipts, the 'With Receipts Limit' applies; or*
- *If you do not provide receipts or did not incur additional costs, the 'Without Receipts Limit' applies. The delay must be for at least the minimum delay period shown in the 'Cover Summary'.*

#### *Missed departure*

*1. If the delay causes you to miss the departure of your cruise or tour, necessary transportation expenses to either help you rejoin your cruise/tour or reach your destination.*

*2. If the delay causes you to miss the departure of your flight or train due to a local public transportation delay on your way to the departure airport or train station, necessary transportation expenses to either help you reach your destination or return home.*

*Covered reasons:*

*8. A traffic accident'.*

AWP has given two very different reasons to decline the claim. Where an insurer has issued a final response letter to a complaint and given a reason for declining the claim, as in this case, I don't generally consider it's fair for an insurer to change its reason to decline the claim. That's particularly so when an insurer has introduced the new reason very late in the complaint process with this Service, as in this case.

In these circumstances I think it's fair for me to only consider the reason for not covering the claim AWP gave both in its initial response letter to the claim and in its final response letter to the complaint - the claim wasn't covered because the traffic accident causing the delay didn't cause injury to Mr W or damage to his vehicle.

In the definition section of the policy 'traffic accident' is defined as:

*'An unexpected and unintended traffic-related event, other than mechanical breakdown, that causes injury, property damage or both'.*

There's no requirement in the policy definition nor in the 'Travel delay' policy section that the injury and damage has to be to the policyholder or their property.

AWP says as the policy wording states Mr W should provide '*supporting evidence from the public transport provider or accident / breakdown authority attending the private vehicle you were travelling in*' to support a claim under the 'Travel delay' section it's implied that injury or damage has to be to him or his vehicle for the claim to be covered. But that wording is in a different part of the policy, about how to make a claim if the policyholder's vehicle is involved. The wording in that part of the policy also says '*if your claim results from any other circumstances, please provide independent evidence of these circumstances*', as Mr W has done.

AWP will be aware of the FCA's requirement to provide policy terms which are 'fair, clear and not misleading'. Neither the IPID, nor the 'Travel delay' policy section, nor the policy definition of 'traffic accident' say there's only cover if the delay was caused by a traffic accident which caused injury or damage to the policyholder or their property.

The news reports Mr W provided about the traffic accident which caused his and his family's delay say the motorway closure was due to a vehicle fire so I'm satisfied that the policy definition of 'traffic accident' - '*An unexpected and unintended traffic-related event, other than mechanical breakdown, that causes injury, property damage or both*' - was met.

I'm satisfied that AWP unreasonably relied on the reason it gave in its initial claim decline letter and final response letter to decline the claim.

I've considered what's fair and reasonable for AWP to pay to settle the claim. AWP has only very recently raised that it thinks the costs Mr W claimed aren't covered for missed departure. I make no finding on that point in this decision as I'm only considering AWP's claim decline reason in its final response letter.

Even if I agreed the policy wording clearly supported AWP's interpretation of what costs are covered for missed departure the policy says where there has been delay for an insured reason, as there was for Mr W and his family, AWP will pay:

*'lost prepaid trip expenses and additional expenses you incur while and where you are delayed for meals, accommodation' (payable to a limit in the policy),*

which are Mr W's claimed costs. I've also taken into account that Mr W made considerable efforts to make alternative arrangements so that additional flight costs for all the family weren't incurred meaning that he minimised AWP's liability.

In all the circumstances I'm satisfied the fair and reasonable outcome of the complaint is for AWP to pay the claim once Mr W has evidenced the costs claimed. AWP should add the usual interest as I've detailed below, less any applicable policy excess.

I don't generally award compensation for a consumer's time and stress due to complaining to an insurer and this Service. But AWP's handling of this claim has been very unfair and it's reasonable for AWP to pay Mrs and Mr W the £100 compensation it initially offered for their distress and inconvenience.

### **My final decision**

I uphold this complaint and require AWP P&C S.A. to:

- pay the claim once Mr W has evidenced the costs claimed, plus interest\* at 8% a year simple from the date of claim to the date of settlement, less any applicable excess, and
- pay Mrs and Mr W £100 compensation for their distress and inconvenience caused by its unfair handling of the claim.

\*If AWP P&C S.A. considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mrs and Mr W how much it's taken off. It should also give Mrs and Mr W a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 19 March 2026.

Nicola Sisk  
**Ombudsman**