

The complaint

Mr H complains about how AWP P&C S.A. handled his claim against a travel insurance policy. Reference to AWP includes its agents.

What happened

Mr H has travel insurance through his bank account. He lost his passport and multiple-entry visa whilst on a trip and incurred expenses in replacing his travel documents as well as additional travel, accommodation and other expenses. Mr H made a claim against the policy. AWP paid him £750 in relation to Mr H's emergency travel document, the remaining value of the lost passport and administrative, travel and accommodation costs. £750 is the policy limit for this sort of claim. Mr H didn't think that was fair.

Mr H said that when he first contacted AWP, he was told that the policy would also cover replacement costs for his multiple-entry visa and that his additional accommodation and food expenses would be handled separately under a section of the policy with a £10,000 limit.

In response to the complaint, AWP accepted that it gave Mr H incorrect information when he first contacted it. It said it settled the claim in line with the policy terms and paid the maximum available under his cover. AWP also paid Mr H £200 as a gesture of goodwill for distress and inconvenience during the claims process.

Mr H did not think that was fair. He also said he had to chase AWP for a response after disagreeing with its final response. He believes AWP's incorrect information influenced his expenditure and he wants it to increase the goodwill payment so that it covers his losses.

One of our Investigators looked at what had happened. She said AWP had settled the claim in line with the policy terms. The Investigator noted that AWP accepted it gave Mr H incorrect information at the outset and considered the goodwill payment of £200 fair. She also explained that we cannot consider how AWP handled Mr H's complaint itself.

Mr H didn't agree with the Investigator. He said the incorrect information removed the budgetary guardrails that would otherwise have governed his spending. He also said AWP omitted some of his legitimate costs and that replacing a multiple-entry visa should be included within the meaning of restoring his travel status. Mr H said AWP's offer of £200 does not address his remaining losses or the distress and inconvenience he suffered.

The Investigator considered what Mr H said but didn't change her view. Mr H asked that an Ombudsman consider his complaint, so it was passed to me to decide.

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.

Mr H has raised concerns about how AWP handled his complaint. We can only consider complaints about regulated financial services activities. So, I cannot consider AWP's compliant handling process itself. My decision considers whether AWP acted in accordance with the policy terms and fairly and reasonably in its handling of his claim.

I have taken into account the law, regulations and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say AWP has a responsibility to handle claims promptly and fairly and must act to deliver good outcomes for retail consumers.

Insurance policies are not designed to cover every eventuality or situation. An insurer will decide what risks it is willing to cover and set these out in the terms and conditions of the policy document. In general terms, and as long as consumers are treated fairly, insurers can decide what risks they wish to cover. The onus is on the consumer to show the claim falls under one of the agreed areas of cover within the policy. If the event is covered in principle but is declined on the basis of an exclusion set out in the policy, the onus shifts to the insurer to show how that exclusion applies.

The relevant section of the policy – '**Section 4 – Loss of Passport or Driving Licence**' - states that following the loss or theft of a passport, AWP will pay up to £750 for reasonable extra travel, accommodation and administration costs needed to obtain an emergency travel document, a temporary passport or travel permit and for the remaining value of the original passport. A general exclusion says that AWP will not cover any additional loss or expense unless it is covered under the policy.

AWP considered Mr H's claim under the correct section of the policy and paid the policy limit of £750. I note what Mr H says about AWP omitting some of his expenses from its calculation of his claim and his argument that replacement of his multiple-entry visa should be included. Given the policy limit has already been paid, these points do not change the outcome. AWP settled Mr H's claim in line with the policy terms but that's not the end of the matter.

I have also considered whether AWP's incorrect information means it should settle Mr H's claim outside the policy terms. AWP accepts it gave Mr H incorrect information about what items were covered and what policy limit applied. When insurers provide incorrect information, we do not proceed on the basis that the incorrect information is true: we assess whether the consumer relied on that information to their detriment.

Mr H did not incur additional costs specifically because of the incorrect information about the policy covering the multiple-entry visa. Regarding the incorrect policy limit, Mr H says the assurance of a £10,000 limit influenced his spending and removed the budgetary constraints that he would otherwise have applied.

There is a general principle in insurance that the insured is required to take steps to minimise their losses and act as though uninsured to prevent further loss. In the circumstances of this case, I don't think it would be fair and reasonable to direct AWP to settle Mr H's claim for more than the limit set out in the policy.

Compensation for distress and inconvenience is separate from reimbursement of losses. I acknowledge Mr H's disappointment when he discovered that the information provided to him was inaccurate. However, I consider AWP's payment of £200 in relation to Mr H's distress and inconvenience arising out of its error is fair and reasonable in this case. In reaching that view, I've taken into account the nature, extent and duration of Mr H's distress and inconvenience caused by AWP's error in this case.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 April 2026.

Louise Povey

Ombudsman