

The complaint

B, a company, complains about the settlement paid by American International Group UK Limited ('AIG') for their travel insurance claim. B is represented by Mr B.

What happened

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

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- Under the cancellation and curtailment section of cover, the policy covers the cost of irrecoverable deposits and advanced payments for transport and accommodation costs where a trip has to be cancelled prior to departure or cut short following departure. Mr B went on his trip, but his final planned destination couldn't be reached due to bad weather. Mr B decided to continue his trip elsewhere rather than return to the UK early. The trip was therefore altered rather than cut short.
- So I agree with our investigator that AIG doesn't need to pay the claim under the cancellation and curtailment section of cover. Nonetheless, I understand that AIG has reimbursed Mr B for the hotel accommodation he didn't use. That was up to AIG, though I don't think it needed to do this.
- Under the rearrangement section of cover, the policy covers the additional costs of travel and accommodation that are necessarily incurred to enable the insured to continue the trip when pre-booked travel arrangements have to be altered. I'm satisfied AIG has done this.

Whilst I can appreciate Mr B is disappointed that he didn't have the holiday he'd planned, I find that AIG has dealt with the claim fairly.

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 B to accept or reject my decision before 29 August 2023.

Chantelle Hurn-Ryan
Ombudsman