

The complaint

Mr P and Mrs T complain that AWP P&C SA have unfairly declined their travel insurance claim.

What happened

Mr P and Mrs T booked a trip for themselves and their family. They were due to travel in July 2022. The trip consisted of train travel and accommodation. Unfortunately, as a result of strike action, Mr P and Mrs T's train was cancelled a few days before their trip. As they could no longer travel to their destination, they cancelled their accommodation. They made a claim to AWP for the unused accommodation costs.

AWP declined the claim. It said that there wasn't any cover under the cancellation section for the circumstances that caused them to cancel their trip. AWP also noted that the policy included travel disruption cover, but this required Mr P and Mrs T to have arrived at their departure point and have been delayed for over 12 hours. As Mr P and Mrs T's train was cancelled before the date of departure, AWP said this didn't fall within the scope of cover provided.

Unhappy with this response, Mr P and Mrs T complained to AWP. They said that they had been specifically told the claim would be covered when they first called about the claim and that they had even received confirmation sometime later to say the claim was waiting to be authorised. AWP apologised for the issues with the handling of the claim, but it didn't change its stance. So, they brought their complaint to our service.

Our investigator looked into the matter but didn't think AWP had unfairly declined the claim. He found that the policy didn't provide cover under the cancellation section for cancelling a holiday due to a train strike. And he noted that the travel disruption section required you to have travelled to the departure point and to have been delayed for 12 hours before abandoning the trip. So, there wasn't any cover available under this section either. However, he did find that AWP took too long to respond to Mr P and Mrs T's claim and had made repeated requests for information during this time. He also said AWP caused confusion by advising that the payment was going to be made. So, he recommended that compensation of £350 for the poor service be awarded.

AWP accepted the investigator's outcome, but Mr P and Mrs T disagreed. As no agreement could be reached, the matter has been 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.

The relevant rules and industry guidelines say that insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Mr P and Mrs T's complaint.

The policy terms and conditions

The policy includes a section titled “Section 1 – Cancellation or curtailment”, which provides cover if the policyholder has to cancel a trip. I’ve detailed below the relevant parts of the section:

“We will pay you up to £5,000 (inclusive of any valid claim payable under Section 3 – Travel disruption cover and Section 11 – Winter sports (Ski pack)) for any irrecoverable unused travel and accommodation costs (including excursions and other pre-paid charges) which you have paid or are contracted to pay together with any reasonable additional travel expenses, due to any of the following necessary and unavoidable events:

- *Cancellation of the trip;...*”

This section then provides a list of nine reasons for which it will cover claims under this section, I’ve detailed the relevant parts of these below:

1. *The death, bodily injury or illness of you...*
2. *You or any person with whom you are travelling or have arranged to travel with being held in quarantine...*
3. *You or any person with whom you are travelling or have arranged to travel with being called for jury service...*
4. *Compulsory redundancy of you or any person who you are travelling or have arranged to travel with...*
5. *You or any person with whom you are travelling or have arranged to travel with are a member of the Armed Forces, Police, Fire, Nursing or Ambulance Services or employees of a Government Department and have your/their authorised leave cancelled for operational reasons...*
6. *The Police requesting you to remain at or return to your home due to serious damage to your home caused by fire, aircraft, explosion, storm, flood, subsidence, malicious persons or theft.*
7. *Medical complications as a result of your pregnancy or the pregnancy of anyone you have arranged to travel or stay with during the trip.*
8. *A government directive prohibiting all travel to, or recommending evacuation from, the country or area you were planning to visit...*
9. *You or any person with whom you are travelling or have arranged to travel with being refused boarding of the public transport on which you are booked to travel, on the order of any government, public authority or carrier due to you or they displaying symptoms of a contagious disease (including an epidemic or a pandemic disease such as COVID-19).*

There is also another section within the policy, “Section 3 – Travel Disruption” which provides cover for issues involving travel to your destination. Within this section it states:

“What is covered

Travel delay

The benefit provided below is intended to provide compensation if you are delayed at your point of departure and is only applicable if you have travelled there and checked-in. If you have not travelled to your departure point you will not be covered, even if you have checked-in online.

1. *A delay of your pre-booked public transport resulting in you departing at least 12 hours after your original scheduled departure time; or*
2. *You being involuntarily denied boarding because there are too many passengers for the seats available and no suitable alternative flight could be provided within 12 hours; or*
3. *Abandonment of your trip following 12 hours of delay at your first international departure point in the UK;”*

Has AWP fairly declined the claim?

Mr P and Mrs T's train was cancelled by the train company because of strike action – which led to them having to cancel their accommodation booking.

As detailed above, the cancellation section of the policy includes a list of reasons that it will provide cover for in the event of a cancelled trip. But the cause of the cancellation of their trip isn't one of the listed covered reasons. I'm satisfied that there isn't cover under this section of the policy for the situation they found themselves in.

I've also considered the cover under the Travel Disruption section of the policy. But having carefully reviewed this section, I'm not persuaded that there is cover for their claim. For a claim to be considered for the abandonment of the trip, it requires the policyholder to be delayed at their point of departure – so for a claim to be covered it would require them to have travelled to the station and then be delayed. In Mr P and Mrs T's case, their train was cancelled prior to their departure date and so they had not travelled to the station, nor had they been delayed there for over 12 hours. So, this section doesn't provide cover for their claim either.

I've looked at the remainder of the policy wording to see if there would be any other section that would consider this claim, but the circumstances Mr P and Mrs T found themselves in don't appear to fall within any of the other sections of cover provided. Taking everything into account, I don't think Mr P and Mrs T's claim is covered under the policy terms and conditions, nor are there reasonable grounds upon which it would be fair for me to ask AWP to accept their claim.

Mr P and Mrs T have said that AWP told them their claim would be covered when they first made contact and so it should therefore pay the claim. I've listened to the initial call between AWP and Mr P. In the call AWP told Mr P that the claim would need to be submitted for approval. And that if the claim was approved the policy excess would be deducted. At this point Mr P asked about the timeframe for approval and how he could find out if the claim was approved – so I'm persuaded Mr P was aware during this initial call that payment of his claim wasn't guaranteed. So this doesn't change my outcome.

Customer service

Mr P and Mrs T have also complained about the way AWP handled their claim. The initial claim was submitted in August 2022 but it wasn't until February 2023, and following a complaint made by Mr P and Mrs T about the delays, that AWP advised that the claim wasn't covered. During this time, AWP had made repeated requests for information and had informed Mr P and Mrs T in October 2022 that the claim payment had been raised and was awaiting approval.

I can fully appreciate the frustration they must have felt when the claim was finally declined. AWP has not handled the claim well, not only in terms of the time it took to reach the outcome but also by asking Mr P and Mrs T to provide information, including their bank

details, on numerous occasions. And by advising that the payment of the claim was waiting approval in October 2022 this would have led, quite understandably, to Mr P and Mrs T believing that they were going to receive the payment for the unrecovered accommodation costs. I'm aware this is quite a significant sum and so I can understand how upsetting it would have been for them to be told months later that the claim wasn't covered. Our investigator recommended that AWP pay compensation of £350 for the poor customer service. I think this is an appropriate sum, taking into consideration how this claim has been handled.

Putting things right

AWP needs to do the following:

- Pay £350 compensation to Mr P and Mrs T for the poor customer service they experienced

My final decision

For the reasons explained above I uphold this complaint in part.

I direct AWP P&C SA to put things right as detailed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs T to accept or reject my decision before 17 April 2024.

Jenny Giles
Ombudsman