

The complaint

Mr B is unhappy with how AWP P&C SA handled his claim on his travel insurance policy.

What happened

Mr B had a travel insurance policy attached to his packaged bank account. The policy was underwritten by AWP.

Mr B and his family were on holiday abroad. On their way to the airport they received an email to say their flight home had been cancelled. Mr B contacted AWP that day and says he was told to retain all his receipts and submit a claim when he returned home.

Mr B and his family had to remain abroad for five days until the next available flight. Mr B returned home and made a claim on his policy for the costs he'd incurred. AWP declined cover under the cancellation section of the policy. They also considered the claim under the travel disruption section but concluded this didn't apply as Mr B wasn't at the airport when the flight was cancelled.

Mr B said he couldn't check in for the flight because it was cancelled. He also raised concerns he hadn't received a copy of his policy document, so he'd relied on the "what is covered section" of the online portal - which he now thinks is misleading.

AWP maintained there wasn't any cover under the policy for this flight cancellation. They advised Mr B that as the airline cancelled the flight, it was their responsibility to cover additional food and accommodation costs until the next flight. Mr B said he hadn't received a response from the airline.

Our investigator looked into what had happened and said she didn't think AWP had unfairly declined the claim at this stage. She agreed it wasn't covered by the policy terms and she thought it was reasonable for Mr B to wait for an answer on if the costs were recoverable from the airline first.

Mr B didn't agree and asked an ombudsman to review the complaint. In summary he said:

- He hadn't ever been sent a copy of his policy document
- He'd spoken to AWP on numerous occasions and was given the impression his claim would be honored

The case has now been passed to me for a 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.

The relevant rules and industry guidelines say that AWP has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

I'd like to assure Mr B that I've read and considered all his representations. But I won't be

addressing every point which has been raised. I'll only refer to the points which I think are central to my findings.

Having carefully considered the policy terms and conditions I don't think AWP unfairly declined cover. I can see they reviewed all the relevant sections of the policy, but I agree that unfortunately Mr B's claim for the flight cancellation isn't an insured event in the circumstances.

The policy terms also state AWP will not consider claims for:

"any unused or additional costs incurred by you which are recoverable from anywhere else".

Under UK law, airlines must provide care and assistance when they cancel a flight. Whilst I appreciate its frustrating Mr B didn't hear back from the airline, it's not unreasonable for his insurer to decline his claim at that stage. Travel policies usually only cover 'irrecoverable losses', and as Mr B's costs aren't yet deemed irrecoverable from the airline, it's fair for AWP not to provide cover until the airline confirms their position. It's reasonable AWP will only pay costs that aren't recoverable from another source.

Mr B says AWP told him his claim would be covered, and this was misleading. AWP have provided the call note from 19 December and recordings from his claim calls in January. But I haven't seen evidence to support he was told his claim would be covered.

The call note from 19 December logs that Mr B was told his flight cancellation wouldn't be covered because he wasn't at the airport before cancellation. Which is in line with the policy terms. Although I haven't heard a copy of the call on this date, Mr B does make reference in the call on 16 January that he was previously told he wasn't covered. So on balance, I think it's likely the call note from the 19 December can be reasonably relied upon.

Mr B has raised repeated concerns that he wasn't provided with a copy of his policy document, so he had to rely on the information on the portal. But Mr B's policy wasn't sold by AWP - its attached to his bank account. I've seen evidence to show the full policy document can be accessed through Mr B's banking website under "account benefits". And AWP also sent Mr B a copy of the full policy document as part of their complaint response. So I'm satisfied he now has a copy.

For clarity, AWP also confirmed they've only provided this type of cover since 2021 (prior to this it was a different underwriter), so AWP aren't responsible for the failure to provide any previous policy documents. Mr B may want to discuss this with his bank he remains unhappy.

Taking all of the above into account, I don't think AWP have treated Mr B unfairly. Our investigator has provided information on how he can pursue the airline for confirmation on if his costs will be reimbursed by them and the next steps thereafter.

I understand it's disappointing that Mr B's costs aren't covered by his travel insurance. But I hope he understands there just aren't any reasonable grounds upon which I could fairly ask AWP to do anything further at this stage.

My final decision

For the reasons set out above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B, Mr B and Mr B to accept or reject my decision before 28 September 2023.

Georgina Gill
Ombudsman