

The complaint

Mr M complains that AWP P&C SA declined his travel insurance claim. My references to AWP include its agent.

What happened

Mr M has travel insurance through his bank account, the insurer is AWP.

Mr M was travelling with a national coach service to a London airport to take a flight abroad where he'd booked to take a cruise. On route to the airport the motorway was closed due to a large vehicle fire. During the time the journey was closed Mr M tried to find taxis to take him to the airport but was unsuccessful. The motorway opened after about six and a half hours and by the time Mr M's coach arrived in London he'd missed his flight. He claimed on the policy for his lost costs.

AWP wouldn't pay the claim as it said the circumstances of Mr M's missing his flight weren't covered by the policy terms. AWP offered Mr M £50 compensation as a goodwill gesture as it had lost his recorded delivery letter which it had signed for as received.

Mr M complained to us as he considered AWP's decision unfair. In summary he said:

- The Insurance Product Information Document (IPID) gave information about cover for 'Travel Disruption' under the policy which AWP hadn't considered. The IPID didn't mention the information AWP had used to decline the claim.
- When he'd first spoken to AWP on the phone about his claim its claims adviser had told him it was a realistic claim and asked him to send in a claim form and supporting documents. Mr M thought AWP's request for further information was unusual if his circumstances weren't claimable.
- AWP hadn't considered the points he'd made in his letter which it had lost.

Our investigator said AWP had reasonably declined the claim.

Mr M disagrees and wants an ombudsman's decision. He said:

- We hadn't considered the information about travel disruption in the two page document about the travel insurance the bank had sent him or in the IPID.
- The insurer of the policy changed to AWP only five days before he booked the holiday. At the time of booking he'd only received the two page document about the travel insurance the bank had sent him and the IPID, both of which said AWP should pay his claim. AWP may have made changes to the insurance documents later on but his claim should be covered by the information in those two documents.

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 regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably. Mr M missed his flight and cruise through no fault of his own. He got on the coach in what should have been enough time for him to get to the airport and he's provided good reasons why he wasn't able to take a later flight to board his cruise. So I'm sorry to disappoint him but I think AWP reasonably declined the claim. I'll explain why.

The two page document headed '(AWP's Agent) Worldwide Family Travel Insurance' lists 'some key benefits' of the policy which include:

'Travel disruption cover (up to £5,000).'

Underneath the list of key benefits the document says:

'Full terms and conditions apply'.

So I think the document clearly told Mr M that the full policy terms applied to the benefits the insurance provided.

The IPID says:

'What is insured?

...

Travel disruption - Up to £250 benefit after a major travel delay to outbound or return transport at the departure point.

Alternatively up to £5,000 if you abandon your trip on the outbound leg only;

Up to £5,000 for extra transport or accommodation costs to continue your trip, if your transport is delayed in arrival;

Up to £5,000 for extra transport or accommodation costs to continue your trip, if you miss the departure of your outbound or return transport'.

But the first paragraph of the IPID says:

'This document only provides a basic summary of policy cover. The full terms and conditions of the contract are shown on the policy document, which you should read carefully to ensure you have the cover you need'.

I think the IPID made clear to Mr M that it was a basic summary of cover and he needed to look at the policy document to see the full terms and conditions of the policy.

So I'm satisfied that AWP fairly and reasonably considered Mr M's claim under the policy document terms and conditions. Section 3 of the policy details the terms and conditions for Travel disruption and that is divided into various areas of cover.

Mr M's referred to the IPID saying that the policy will cover up to £5,000 if he abandons his trip. But that's still subject to the policy terms. The benefit he mentions is under the 'Travel delay' heading which says:

'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’.

Mr M hadn’t reached the point of his departure, the airport, and checked-in as his flight had gone. So the policy wording under travel delay wasn’t the relevant wording for his claim. The relevant heading for AWP to assess Mr M’s claim under was ‘Missed departure’ which says:

‘The benefit provided below is intended to provide compensation if you do not reach your point of departure until after the latest time permitted by the carrier for check- in or boarding.

If you arrive too late (as shown on your ticket or itinerary) to board your pre-booked public transport at any of your trip departure points as a result of:

1. Public transport services failing to get you to your departure point due to strike, industrial action, adverse weather conditions, mechanical failure or direct involvement in an accident’

Mr M’s public transport didn’t get to the airport in time for his flight. But I think AWP reasonably considered that Mr M missing his flight because his coach was caught up in traffic as a result of road closures due to a vehicle fire isn’t one of the insured reasons for missed departure. I’m satisfied there is no cover for Mr M’s claim under the policy terms.

I’ve also considered whether I could fairly say that AWP should pay the claim on a fair and reasonable basis. But I don’t think I can because AWP’s use of the words ‘direct involvement’ clarifies its intention that it doesn’t provide cover for Mr M’s public transport being delayed due to a knock on effect from another vehicle’s accident, which is what happened.

AWP’s final response letter to Mr M accepts his claim should have been declined at the start, but that doesn’t mean AWP has to pay the claim. And although AWP didn’t respond to Mr M’s recorded delivery letter that it lost, its decision to decline the claim wouldn’t have been affected by the points he raised in the letter for the reasons I’ve explained above.

My final decision

I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 5 October 2023.

Nicola Sisk

Ombudsman