

The complaint

Mr M has complained that American International Group UK Limited ('AIG') unfairly declined his claim.

What happened

Mr M has a travel insurance policy, underwritten by AIG. Mr and Mrs M were due to travel abroad when their flight was delayed. So Mr M contacted AIG to make a claim for abandonment.

AIG reviewed the claim and said his circumstances weren't covered as the reason for the flight delay was due to ground operation issues at the airport and this wasn't covered under the policy.

Mr M complained and unhappy with AIG's response, referred his complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think AIG had incorrectly or unfairly declined the claim.

Mr M disagreed and asked for an Ombudsman's decision.

And so the case has been passed to me.

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 don't think this complaint should be upheld. I'll explain why.

The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.

The relevant section in the policy is section 10 – travel delay.

This says AIG will pay a claim: *"...if the departure of the public transport is delayed by at least 12 hours...or if you abandon the trip...due to the delay of your outward flight...for more than 12 hours beyond the booked departure time as a result of...strike or industrial action...adverse weather conditions...mechanical breakdown or technical fault of the aircraft, coach, train or sea vessel..."*

Mr M provided a letter to confirm the reason for the delay was ground operation issues at the airport. But he would only be covered under the above section for abandonment if his flight was delayed for one of the reasons listed in the policy as set out above. As there is no evidence that the flight delay was due to strike or industrial action, adverse weather conditions or mechanical breakdown of the mode of transport, there is no cover for Mr M's circumstances under this section of the policy.

I'm sorry to hear of Mr M's circumstances and the loss of his holiday but I can't fairly ask AIG to pay the claim.

My final decision

For the reasons set out above, 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 19 September 2023.

Shamaila Hussain
Ombudsman