

The complaint

Miss H is unhappy that AWP P&C SA declined a claim she made under her travel insurance policy.

Miss H has been represented by Mrs H for this complaint. For ease of reference, I've only referred to Miss H in this decision. However, all references to Miss H are intended to include all information and submissions provided by Mrs H in this matter too.

What happened

Miss H purchased a single trip travel insurance policy, cover her for various pre-departure and post-departure risks for a trip worldwide (excluding the USA). The trip was booked from 29 October 2019 to 2 December 2019 – with the travel insurance policy being active for this time.

Later, Miss H decided to extend her stay abroad. A further single trip travel insurance policy appears to have been provided, to cover worldwide travel (excluding the USA) for the dates 2 December 2019, to 25 September 2020.

Miss H decided to extend her stay again. She has explained she contacted the travel company she purchased the trip and travel insurance through, and it extended her stay and insurance cover again. Miss H then being due to return home on 27 October 2020. Miss H has said she didn't receive any further documentation from the travel insurance company – and shortly after it went into liquidation.

On 5 September 2020 Miss H received an email from the airline providing her return flight, telling her the flight she was due to travel home on, on 27 October 2020 was cancelled. Miss H rebooked the flight with the same airline – for 30 October 2020. But Miss H has said the flight was cancelled for operational reasons/lack of passengers. Miss H had to therefore purchase another flight, with a different airline, to get home. This meant she had paid for two return flights.

Miss H said the original airline the flight was booked with didn't provide her with a refund for the flight she'd paid them for – despite her trying to obtain this. So, she made a claim under her travel insurance policy for her loss.

Miss H said there were delays in the progression of her claim. So, she raised a complaint about this. And following what she said were further delays, raised an additional complaint about the time taken to deal with her claim. This service began looking into this additional complaint.

AWP offered and paid Miss H £100 compensation for these further delays. And Miss H accepted that resolved the issue of delays.

However, AWP also decided on Miss H's claim. It declined the claim, saying there was no cover under the terms and conditions of the policy for the situation Miss H found herself in. And it said that the policy didn't provide cover for the withdrawal of a service by an airline.

As Miss H was dissatisfied with this, she asked this service to consider this complaint.

Our investigator reviewed the matter and decided AWP had acted fairly in declining Miss H's claim. They said that Miss H's policy only appeared to be in place until 25 September 2020. And so, any claims after this date wouldn't be covered, as there was no policy in place.

Our investigator noted that AWP hadn't raised that when responding to Miss H's claim. But had considered the terms and conditions of the policy anyway. Our investigator said AWP hadn't acted unfairly in declining the claim under those terms and conditions in any event – because there wasn't an event that covered the loss Miss H had suffered.

Miss H didn't agree. She said she had paid the airline for a flight she didn't get and hadn't received a refund from the airline. Miss H didn't think it was fair she had paid for a flight twice and felt her insurance policy should respond.

Because Miss H didn't agree, this complaint has been referred 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.

Having done so, I've decided not to uphold this complaint. So, I don't require AWP P&C SA to do anything more.

I appreciate this will be a disappointment to Miss H. But I've explained the reasons for my decision below.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether AWP acted in line with these requirements when it declined to settle Miss H's claim.

I've also considered Miss H's policy documentation, to see what cover it provided her with. On doing so, I've seen a policy schedule detailing Miss H had cover for various risks between 29 October 2019 and 2 December 2019, and another detailing cover Miss H had between 2 December 2019 and 25 September 2020.

Miss H is claiming for an incident that happened at the end of October 2020. I haven't seen a policy schedule to confirm that Miss H's insurance cover had been extended, or a new insurance policy purchased, to cover her for this time. And Miss H told this service she wasn't provided with any additional documentation when she extended her trip to the end of October 2020. So, based on what I've seen, it doesn't look like Miss H had any travel insurance policy to respond to her loss at this time. If there was no travel insurance policy in place, then it would be reasonable for AWP to decline a claim – as there would be nothing for it to deal with the claim under.

But, as our investigator has said, AWP didn't raise this with Miss H when declining her claim. And hasn't raised it with this service since. Instead, AWP said the policy didn't provide cover for the airline withdrawing the aircraft from service. And so, it couldn't pay the claim.

Given this, I've also considered whether, if Miss H's policy was indeed running at the time of the loss, AWP has acted fairly in saying the loss wasn't covered.

And I'm satisfied AWP did act fairly in saying the loss wasn't covered anyway. Insurance policies don't generally cover every eventuality. Instead, for a loss to be covered under an insurance policy, the loss needs to have happened because of something listed in the policy documentation as covered. If the reason for the loss isn't something listed as covered, then there is no cover for the situation, and the policy won't respond.

I've looked at the policy wording supplied both by Miss H when she took out her initial policies, as well as the wording supplied by AWP for the policies Miss H had. And there isn't any section within these that provide cover for losses caused due to an airline deciding to cancel a flight for operational reasons – such as an insufficient number of passengers on the flight. So, I don't think AWP did anything wrong in declining the claim, even if cover was in place. The policy doesn't cover the situation. As I don't think AWP did anything wrong here, I'm not requiring it to do anything differently in respect of this claim.

Miss H has said she paid twice for a flight – having paid the original airline, and not got the service she paid for. And I do sympathise with this. But I can only consider AWP's actions in deciding the claim outcome – not that of the airline, or the travel provider the trip was booked through. So, this point doesn't change the outcome on this complaint.

My final decision

Given the above, I don't uphold this complaint. So, I don't require AWP P&C SA to do anything more in respect of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 9 October 2023.

Rachel Woods
Ombudsman