

The complaint

Ms B and Mr S complain that AWP P&C SA has turned down a travel disruption claim they made on a travel insurance policy.

What happened

The background to this complaint is well-known to both parties, so I've simply set out a summary of what I think are the key events.

Ms B and Mr S hold travel insurance as a benefit of a packaged bank account.

Ms B and Mr S were on holiday in September 2022 and they were due to return to the UK on 12 September 2022. However, on 9 September 2022, their airline let them know that their return flight had been cancelled because of a strike by airport handlers. The airline gave them the option of rerouting their flight or receiving a full refund of the flight cost. Ms B and Mr S say they called AWP and were told that any costs they incurred in making their own arrangements to return to the UK would be covered by their policy.

So Ms B and Mr S arranged a new return flight for 11 September 2022. They made a claim on the policy for the costs of their early return to the UK, together with a lost night of their pre-booked accommodation.

AWP turned down Ms B and Mr S' claim. It said the circumstances of the claim weren't covered by the policy terms.

Ms B and Mr S were unhappy with AWP's decision and they asked us to look into their complaint.

Our investigator didn't think Ms B and Mr S' complaint should be upheld. He didn't think it had been unfair for AWP to conclude that the claim wasn't covered by the policy terms.

I issued a provisional decision on 19 December 2023, which explained the reasons why I didn't think AWP had treated Ms B and Mr S unfairly. I said:

'The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the terms of this policy and the circumstances of Ms B and Mr S' claim, to decide whether I think AWP treated them fairly.'

The policy terms

I've first considered the policy terms and conditions, as these form the basis of the contract between Ms B and Mr S and AWP. I appreciate that Ms B and Mr S feel that as their pre-booked flight was cancelled and was therefore effectively delayed by more than 12 hours, their claim should be covered under the abandonment provisions of the policy.

Abandonment cover effectively provides limited cancellation cover in certain circumstances – albeit under the travel delay section of the policy. I'll set out the travel delay terms later in

this decision.

However, I don't think either abandonment or cancellation cover would apply here. That's because cancellation cover ends at the point a policyholder's trip begins and abandonment cover only applies if a policyholder is delayed for more than 12 hours at their first international departure point from the UK. In this case, Ms B and Mr S' trip wasn't cancelled before it began. Nor were they delayed for more than 12 hours at their first international departure point from the UK. They were able to travel as planned and were some days into their trip when they learned their return flight had been cancelled. I'd add too that as Ms B and Mr S actually returned to the UK early, I think their trip was curtailed. But in any event, I don't think the reason for their claim is covered under the cancellation or cutting short your trip section of the policy.

Instead, I think it was reasonable and appropriate for AWP to consider Ms B and Mr S' claim in line with the Travel Disruption section of the policy. I've set out below what I think are the relevant terms:

'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.*

Missed departure

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;*

or

- 2. The private motor vehicle in which you are travelling being directly involved in an accident or breaking down on your way to your departure point.*
- 3. You being involuntarily denied boarding on a preceding flight because there are too many passengers for the seats available and no suitable alternative could be provided to your end destination, either within 12 hours or without additional charge.*

We will pay you up to £5,000 for: Your reasonable and necessary extra travel (including up to £200 for taxis and hire cars) and accommodation expenses, which are of a similar standard to that of your pre-booked travel and accommodation, to allow you to continue to

your trip destination or to return home.'

I think the policy terms clearly set out the travel delay the policy provides. I've already explained why I don't think it was unfair for AWP to conclude that the claim wasn't covered by the abandonment section of the policy. And, whilst it's possible Ms B and Mr S would have been delayed by more than 12 hours if they'd waited for their airline to reroute their flight, I'm mindful that they learned about the flight cancellation three days before the flight was scheduled. Their return to the UK was sooner than planned – so their departure wasn't actually delayed. And they didn't travel to the airport or check-in, as required by the terms of the policy. So I don't think I could fairly find that AWP acted unfairly when it concluded that the claim wasn't covered under any part of the travel delay section of the policy. I'd add too that even if Ms B and Mr S' claim had been covered under this section of the policy, their claimed costs wouldn't have been covered by the policy terms. As their trip wasn't abandoned, any potential settlement would likely have been limited to a set benefit for a specified period of delay.

In my view, AWP has also clearly set out the missed departure cover it provides. And I think the contract makes it clear that missed departure cover applies if a policyholder arrives too late at their international departure point because of one of the listed, insured events. In this case, Ms B and Mr S weren't delayed from reaching the airport and they didn't miss their departure as a result. Their flight itself was cancelled. So I don't think I could reasonably conclude that AWP should pay their claim under this section of the policy either.

This means I don't think AWP acted unfairly when it concluded that Ms B and Mr S' claim wasn't covered by the policy terms.

The telephone call

Ms B and Mr S have maintained that they called AWP ahead of arranging their new return flight and were told that their claim would be covered, even though they'd need to make the claim retrospectively. Unfortunately, AWP hasn't been able to find a copy of this call, so I haven't been able to listen to exactly what was said. It's possible that AWP did wrongly tell Ms B and Mr S that their costs would be paid.

However, in order for me to find that AWP should pay Ms B and Mr S' costs on this basis, I'd need to be satisfied that it's more likely than not that but for any misinformation by AWP, Ms B and Mr S would have decided to remain abroad until their airline could arrange a new flight. And I'd need to be satisfied that they'd suffered a financial loss as a result of any misinformation they were given. Based on what I've seen so far, I don't think I could fairly say that they would or that they did. That's because if Ms B and Mr S had remained abroad until the airline could arrange a new return flight (and Ms B and Mr S say there were no flights on 12 or 13 September 2022) they'd still have had to pay additional accommodation costs to remain abroad. I've seen a copy of Ms B and Mr S' booking invoice. And it seems to me that the costs of staying in their hotel for even two more nights are likely to have been around the same as the costs they did incur in returning to the UK. I note too that Ms B and Mr S have told us that they had commitments back in the UK. So I think it's more likely than not that even if Ms B and Mr S had been told upfront that their costs wouldn't be covered, they'd still have chosen to arrange a flight home on 11 September 2022. Therefore, I don't think I could fairly find that Ms B and Mr S' position was likely to have been prejudiced by any misinformation they may have been given by AWP.

Overall, whilst I'm very sorry to disappoint Ms B and Mr S, because I appreciate they're out of pockets due to events beyond their control, I don't currently think there are any reasonable grounds upon which I could direct AWP to pay their claim.'

I asked both parties to provide any further evidence or comments they wanted me to consider.

AWP had nothing to add.

Ms B and Mr S said they were very frustrated by the decision and had nothing to add beyond what felt like the solid reasons for their claim. They also disagreed with my assumption that they'd have acted in the same way even if they had been given correct information about cover.

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, whilst I'm very sorry to disappoint Ms B and Mr S, I still don't think AWP treated them unfairly, for the same reasons I set out in my provisional decision. I don't doubt what a frustrating situation this must have been for them and I know they incurred costs because of events outside of their control. But it remains the case that these simply aren't risks, costs or events which AWP has chosen to cover within the policy.

I appreciate Ms B and Mr S disagree with my assumption that they wouldn't have acted differently had they been given accurate information by AWP. I've thought about this carefully. However, Ms B and Mr S haven't explained what they might have done differently, or how any different course of action may have minimised their potential costs. Based on the evidence available to me, I still don't think I could fairly conclude that Ms B and Mr S' position was prejudiced by any misinformation they may have been given by AWP.

Overall, I still don't think AWP handled Ms B and Mr S' claim unfairly or that it acted unreasonably when it turned down their claim.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr S to accept or reject my decision before 2 February 2024.

Lisa Barham
Ombudsman