

The complaint

Mr M and Miss P complain AWP P&C SA settled their travel insurance claim unfairly.

What happened

In March 2023 Mr M and Miss P were on a trip abroad. A travel document for Mr M, and other items, were stolen. As a result they had to abandon part of their trip. They had to book an alternative flight home as Mr M was unable to use the original without a replacement document.

When they did return to the UK they claimed against their AWP travel insurance policy for various costs including the replacement document, additional and unused accommodation and travel, bank fees and stolen cash. They felt the total claimed, around £1,550, would be covered by their policy. AWP eventually paid a settlement of about £220. Mr M and Miss P weren't happy so made a complaint. They felt the cancellation and travel disruption sections of their policy should cover unsettled items – including unused accommodation and replacement travel.

AWP responded to Mr M and Miss P's complaint. It didn't agree to pay anything extra. It said their policy covers the cost of replacement documents and travel or accommodation costs incurred to obtain it. It said it doesn't cover additional costs they had claimed for including the costs of returning to the UK. It said the cancellation section of their policy only covers departures.

AWP explained the policy does cover travel disruption, but not when the cause is loss of documents. Whilst it didn't uphold their complaint about the claim settlement, it did pay Mr M and Miss P £150 to apologise for service issues when processing the claim. They weren't satisfied with that outcome, so came to this service. To resolve their complaint they would like AWP to settle their claim in full and pay additional compensation for the delay.

Our Investigator didn't recommend AWP do anything differently. She explained Mr M and Miss P's policy does cover travel disruption and cancellation but only in certain circumstances. She said the loss of travel documents isn't one of those. She felt AWP had paid out in line with the policy terms. Finally she felt it had provided some poor service, but considered £150 fair compensation in the circumstances.

Mr M and Miss P didn't accept that outcome. They said they had been told by AWP, before claiming, that their cancelled travel and accommodation costs would be reimbursed. They say if they hadn't been told that they could have tried to obtain refunds from hotels and airlines. But they feel it's now too late to do so. As the complaint wasn't resolved it was passed 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.

I've considered Mr M and Miss P's policy's terms and conditions. It does provide up to £5,000 cover for cancellation or curtailment. However, it only covers cancellation or curtailment (cutting short) when the cause is one of the listed events. These include death, illness, injury and being called to court as a witness or for jury service. It doesn't list loss or theft of travel or identity documents. So I can't say AWP unfairly refused to cover any costs under this part of Mr M and Miss P's policy.

The policy also covers travel disruption. Within this section it sets out cover for travel delay, missed departures and accommodation disturbance. But again only in certain circumstances. For example missed departures are covered but only if the cause is public transport failure, a motor vehicle breakdown or there being too many passengers booked on a flight. Accommodation disturbance is payable when accommodation is unused because of flood, fire etc or an outbreak of infectious disease. None of these events are relevant to Mr M and Miss P's circumstances. So I can't say AWP unfairly declined any claim made against the travel disruption section of the policy.

Loss of important documents is covered by the policy. This section provides for the cost of a visa or passport. It also covers reasonable travel and accommodation expenses in obtaining a replacement of the lost or stolen document. The policy also covers stolen cash. I've considered those part of the cover, including the applicable excesses and the list of items Mr M and Miss P claimed for. Having done so, I can't say AWP's settlement offer was unfair or unreasonable. It seems, from what I've seen, to have been made in line with the terms of the policy.

Mr M and Miss P say they were incorrectly told by AWP their claim would be paid in full. Even if that did happen, I wouldn't require AWP to make any additional payment as a result, unless I was persuaded it had caused Mr M and Miss P to lose out financially. For that I'd need to be persuaded if they hadn't been provided with misleading information, they would have been able to successfully claim back the costs of their flights or accommodation from the providers. I don't know the terms of those bookings, but I haven't been shown anything to make me think they likely would have been able to obtain refunds. So I can't say AWP caused them to lose out financially.

I accept Mr M and Miss P did experience some poor customer service from AWP. But I agree with our Investigator that the £150 already paid is enough to recognise the impact of any unnecessary distress or inconvenience AWP caused them. So I'm not going to require AWP to pay anything extra to settle their claim or any additional compensation.

My final decision

For the reasons given above, I'm not upholding Mr M and Miss P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss P to accept or reject my decision before 21 December 2023.

Daniel Martin
Ombudsman