

## **The complaint**

Mr S and Mrs V have complained that AWP P&C SA ('AWP') have settled their claim unfairly and delayed in doing so.

## **What happened**

Mr S and Mrs V have a travel insurance policy, underwritten by AWP. They went on holiday abroad with two children when one of them was unfortunately bitten by a dog and needed medical attention. They had to extend their stay and made a claim for change of flights.

AWP paid half of the costs on the basis that as there were 2 adults and 2 children, 1 adult and 1 child could have returned on the original flight. Mr S and Mrs V complained and unhappy with AWP's response referred their complaint to the Financial Ombudsman Service. AWP apologised for its delays and offered £75 compensation.

Our investigator looked into the complaint but didn't think AWP had settled the claim unfairly. But she did think it had unreasonably delayed and recommended £250 compensation for the impact of the stress and inconvenience caused by AWP's delay.

AWP agreed but Mr S and Mrs V disagreed. In summary, they said they didn't understand why AWP had only paid half the costs. Mr S had asked the travel agents for quotes for 1 adult and 1 child travelling on the same day and said the cost difference was minimal. AWP said they paid the claim based on the actual costs incurred for 1 adult and 1 child.

And so the case has been 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.

Having done so, I agree that this complaint should be upheld, in part. 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 policy terms say what is covered under section 2: *"Reasonable travel and room only accommodation expenses for a travelling companion or resident in the UK to stay with you and travel home with you..."*
- AWP reviewed the claim, which was submitted in January 2023, and didn't settle it until August 2023. Mr S and Mrs V provided AWP with all the relevant information promptly and so AWP's delay caused stress, frustration and inconvenience. I agree £250 compensation is fair and reasonable for the length of time taken and both parties have accepted this.
- Mr S and Mrs V provided evidence to show that the cost of changing their flights was

£695 per adult and £586 per child. AWP paid £1281 (the cost of 1 child and 1 adult). Although Mr S and Mrs V paid £2562 this was for 2 adults and 2 children but the policy terms only allow for 'a' travelling companion. So the costs of the whole family aren't covered. Usually in situations like this, the insurer says one adult would need to stay with the child but the other two passengers could have returned home on the scheduled flight. If that had happened, Mr V would only have had to pay an additional £1281 and so this is what was paid.

- Mr S has provided quotes for 1 adult and 1 child to travel on the same date with different airlines. He says the cost of this is similar to what he paid and for this reason AWP should pay all of their costs. But the quotes he received were generated days later. So the cost isn't comparable as flight costs tend to become more expensive closer to the travel date. Mr S has been reimbursed for 1 adult and 1 child based on the actual costs he paid in line with the policy terms and conditions and I don't think that is unfair or unreasonable. So I can't fairly ask AWP to pay any more towards flight costs.

### **My final decision**

For the reasons set out above, I uphold this complaint, in part, and direct AWP P&C SA to pay Mr S and Mrs V a total of £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs V to accept or reject my decision before 11 January 2024.

Shamaila Hussain  
**Ombudsman**