

The complaint

Mr and Mrs G complain that AWP P&C SA hasn't paid a cancellation claim under their travel insurance policy.

What happened

Mr and Mrs G hold a travel insurance policy through a bank account, provided by AWP.

Mr and Mrs G were due to travel abroad between 25 August and 15 September 2022. Unfortunately, Mr G tested positive for Covid-19 using a lateral flow test ('LFT') the day before they were due to travel. Mr and Mrs G say they phoned the airline and were advised they wouldn't be able to fly as they would need to quarantine. So, Mr and Mrs G cancelled their holiday, and made a claim to AWP for the costs.

AWP said a claim would be declined without further evidence to support the claim. It said the LFT wasn't enough, but Mr and Mrs G could provide evidence of:

- registering the LFT result with the NHS,
- a PCR or equivalent antigen test showing a positive result, or
- a medical report such as a medical certificate completed by a GP.

Mr and Mrs G weren't able to provide any of the above. They say the policy doesn't specify which test is needed to make a claim, it was too late to order a PCR test, and Mr G wasn't well enough to visit a testing centre. And in any event, their policy covers quarantine. So, Mr and Mrs G brought a complaint to our service.

One of our investigators looked into what had happened. Having done so, she didn't think AWP had acted unfairly or unreasonably in declining the claim, for the reasons it did.

Mr and Mrs G didn't agree with our investigator's findings. As no agreement was reached, the complaint 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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mr and Mrs G's complaint.

Our investigator quoted the relevant terms that apply to Mr and Mrs G's claim. The policy covers cancellation due to being diagnosed with Covid-19, as well as having to quarantine due to Covid-19. But for the claim to succeed on either ground, a policyholder needs to show they have a valid claim. In this instance, it's for Mr and Mrs G to show that they had to cancel their holiday due to Covid-19.

The policy terms outline what evidence is needed in support of the claim, and the relevant point 6 c. under “Special conditions relating to claims” says that “[...] *you must also provide us with: [...] c. a medical certificate from a doctor to confirm that you or your travelling companion are not fit to travel [...]* So, whilst the terms don’t specify which test is required, they do say a medical certificate from a doctor needs to be provided.

Mr and Mrs G haven’t been able to provide a medical certificate from a doctor as above. But AWP said it would accept other evidence as well, such as a PCR or equivalent antigen test showing a positive result, or evidence of Mr and Mrs G registering the LFT result with the NHS.

Overall, I don’t think a photo of a positive LFT alone is enough to show Mr and Mrs G have a valid claim under the policy. I think AWP has acted fairly and reasonably by giving them options of what other evidence they could send in support of their claim. As Mr and Mrs G haven’t provided anything else, I don’t think AWP has acted unfairly or unreasonably in declining the claim.

My final decision

My final decision is that I don’t uphold Mr and Mrs G’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr G and Mrs G to accept or reject my decision before 24 August 2023.

Renja Anderson
Ombudsman