

The complaint

Mr and Mrs M are unhappy that AWP P&C S.A. declined a claim they made on their travel insurance policy.

What happened

Mr and Mrs M were travelling by car to join a cruise. There was an accident on the road ahead of them and they were stuck for several hours. Unfortunately, they missed their cruise and were unable to go.

They claimed on their travel insurance policy but the claim was declined as AWP said there was no cover for these circumstances. Unhappy, Mr and Mrs M complained to the Financial Ombudsman Service.

Our investigator looked into what happened. He didn't think it was unreasonable for AWP to decline the claim. Mr and Mrs M didn't agree and asked an ombudsman to review their complaint.

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.

The relevant rules and industry guidelines say that AWP have a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions say:

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'm very sorry to read of the circumstances Mr and Mrs M found themselves in. They'd booked a trip for a special occasion and had to make a number of arrangements to ensure they could go on the trip. I have a lot of empathy with them as the reason they missed the cruise was completely outside of their control.

However, there isn't any cover for Mr and Mrs M's delay due to the road traffic accident under the policy terms and conditions. So, AWP has acted fairly when they declined the claim. Unfortunately travel insurance doesn't cover every eventuality.

I don't think it would be fair and reasonable for me to ask AWP to step outside the policy terms and conditions. That's because the policy clearly explains that cover is limited to accidents that the policyholder is directly involved in an accident. I can't fairly conclude that should extend to Mr and Mrs M as although they were impacted by the accident, as they were delayed, they weren't directly involved in it.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 24 May 2024.

Anna Wilshaw
Ombudsman