

The complaint

Mr and Ms M complain AWP P&C SA unfairly declined their travel insurance claim.

What happened

Mr and Ms M hold a packaged bank account which includes a travel insurance benefit. The travel insurance policy is underwritten by AWP.

In March 2023, Mr and Ms M travelled abroad on holiday. On their return journey, they were delayed on their way to the airport and missed their flight. Mr and Ms M travelled by taxi and said despite leaving much earlier than originally planned, the journey took many hours due to traffic and road closures related to strikes and protests.

Mr and Ms M said they missed their flights, so had to book new flights for the next day and had to pay for another night of accommodation. And they made a claim against their policy.

The policy terms state the following:

"If you or a travelling companion's trip is delayed for one of the covered reasons listed below..."

"If the delay causes you to miss the departure of your flight or train due to a local public transportation delay on your way to the departure airport or train station, necessary transportation expenses to either help you reach your destination or return home. The delay must be for at least the 'Minimum required delay' shown in the 'Benefits summary' and due to one of the following covered reasons:"

"2. A strike, unless threatened or announced prior to date of booking your trip."

'Local public transportation' is defined as follows:

"Local, commuter or other urban transit system carriers (such as commuter rail, city bus, subway, ferry, taxi, for-hire driver or other such carriers) that transport you or a travelling companion less than 150 kilometres."

'Strike' and 'civil disorder' are not defined within the policy terms.

AWP declined the claim. It said the circumstance of the claim was not an insured peril. Mr and Ms M responded to AWP asking for more information and said they couldn't understand why the claim had been declined.

AWP said the information Mr and Ms M provided showed they were unable to arrive at the airport on time because the public roads were busy due to industrial action, and they missed their flight because of this. AWP concluded that whilst this was unfortunate, it was not a circumstance that is covered by the policy, so it said it was unable to consider Mr and Ms M claim further.

Mr and Ms M complained. They said their policy stated strike action was a covered reason for travel delays. And they said they didn't understand AWP's explanation. AWP responded to the complaint saying it had reviewed the claim again, and the circumstances were not covered.

Unhappy with the response from AWP, Mr and Ms M brought their complaint to this service. An investigator here looked into what had happened and said they thought Mr and Ms M's claim was covered by the policy. They said AWP should pay the claim with interest.

Mr and Ms M accepted the investigator's view. However, AWP disagreed and asked for a decision from an ombudsman. In summary it said although the policy doesn't define 'strike' the cause of the delay was not a protest. It said the consumers stated the cause to be exceptionally high road traffic, and that their hotel told them to expect this before they travelled.

As AWP disagreed, the case has been passed to me to make a final decision.

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 industry rules say an insurer must handle claims promptly and fairly and shouldn't unreasonably reject a claim.

I contacted AWP and asked if for further explanation on why it thought the circumstances of Mr and Ms M's claim weren't covered. However, it didn't provide any response. So I've gone on to consider the complaint with the information I have. Having done so, I think AWP declined the claim unfairly. And I'll explain why.

The policy terms set out the cover for a delay causing a missed departure of a flight, providing the delay is due to one of a list of reasons. The list of reasons stated in the policy includes "*A strike, unless threatened or announced prior to date of booking your trip.*"

'Strike' is not a defined term within the policy, so in the absence of a definition, its every day meaning should be used. And a standard dictionary definition is – a refusal to work organised by a body of employees as a form of protest.

Mr and Ms M have explained that they were delayed reaching the airport in heavy traffic, as roads were closed due to strike action and protests. They've shown their taxi picked them up at 8am for their flight which was at approximately 3pm. I'm satisfied based on online route data, that the journey by car would usually have taken around 2.5 hours. So I'm persuaded their journey took much longer than it usually should have.

In its response to the investigator's view, AWP said the cause of the delay was high road traffic and not a protest. However, the strikes and associated protests in the country Mr and Ms M visited were publicised in the media at the time. So I'm persuaded by what they've said about the roads being closed due to the strikes and associated protests, causing the higher traffic.

AWP said Mr and Ms M's hotel told them to expect the delays before they travelled. However, I don't think this makes a difference. The policy terms specify a strike as a covered reason for a travel delay unless it was threatened or announced prior to the booking of the trip. Mr and Ms M booked their trip around two months prior to travelling, and were told about the road closures by their hotel the day before they were due to travel home. So this was not

prior to them booking their trip. And they've shown that they requested an earlier taxi pick up time, in an attempt to mitigate the potential delays advised by the hotel.

I'm satisfied the circumstances of Mr and Ms M's missed departure fall within the insured perils of the policy, based on the local transportation delay occurring due to a strike. And 'taxi' is included within the definition of local public transportation given.

Putting things right

I've found AWP acted unfairly in declining the claim, so it should now pay it subject to the remaining policy terms, together with interest on the settlement amount.

My final decision

For the reasons I've given, it's my final decision that I uphold this complaint. I direct AWP P&C SA to pay the claim subject to the remaining terms of the policy. And to add interest to the claim payment at 8%, from the date the claim was first declined, to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Ms M to accept or reject my decision before 9 January 2024.

Gemma Warner
Ombudsman