

The complaint

Mr C and Miss C complain that AWP P&C SA has turned down a curtailment claim they made on a travel insurance policy.

What happened

Mr C and Miss C hold travel insurance as a benefit of Mr C's packaged bank account.

In April 2022, Mr C and Miss C were skiing abroad. Unfortunately, Miss C suffered an accident and ruptured a ligament in her leg. She received medical treatment and was given crutches.

Mr C called AWP to let it know what had happened. He explained that he was due to return to the UK shortly, but that other family members had been due to fly out for a few days and Miss C had planned to return to the UK with them. However, due to Miss C's accident, Mr C told AWP that Miss C intended to return to the UK early with him. AWP told Mr C to ensure that he kept his receipts.

A claim was made for Miss C's medical expenses and the curtailment of her trip. AWP accepted and settled the medical expenses claim. However, it turned down the curtailment claim. That's because it said there was no evidence to show it had been medically necessary for Miss C to cut short her trip.

Mr C and Miss C were unhappy with AWP's decision and so they asked us to look into their complaint.

Our investigator recommended that this complaint should be partly upheld. She didn't think there'd been evidence to show it was medically necessary for Miss C to cut short her trip. And she felt that even if AWP had directed Miss C to obtain medical evidence at the time of Mr C's first call to it, it was unlikely the treating doctor would've considered her injury to be an emergency which required curtailment. On that basis, she agreed that the claim wasn't covered by the policy terms.

However, she thought that Miss C's trip had been effectively ended as a result of her injury. She felt AWP should consider a curtailment claim for Miss C's accommodation and other pre-booked costs. She considered too that AWP's call handler ought to have given Mr C clearer information at the time of his initial call about what evidence he and Miss C would need to get to support their claim. So she recommended that AWP should pay Mr C and Miss C £100 compensation.

AWP agreed to pay Mr C and Miss C £100 compensation. But it maintained that the curtailment claim wasn't covered. That's because while it accepted that Miss C wouldn't have been able to ski; it said the policy didn't provide cover for loss of enjoyment or for not being able to participate in planned activities.

The complaint's 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 don't think AWP has handled Mr C and Miss C's claim fairly and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly; that they mustn't turn down claims unreasonably and that they must provide policyholders with reasonable guidance to help them make a claim. So I've considered, amongst other things, the terms of this policy and the circumstances of this claim, to decide whether I think AWP handled the claim fairly.

I've first considered the policy terms and conditions, as these form the basis of the contract between Mr C and AWP. The policy covers a policyholder's early return home due to accident or illness. However, the policy includes a special condition which clearly states that in cases of curtailment, a policyholder must supply a medical certificate from their treating doctor to support their claim. In this case, the medical report from the treating hospital didn't suggest that it was medically necessary for Miss C to cut short her trip. And it doesn't appear that Mr C and Miss C have provided AWP with a certificate or letter from a doctor which says that curtailment of the trip was medically necessary.

As the investigator explained though, I think Mr C clearly told AWP what Miss C's plans were when he first let it know about her accident. As the 'expert' in the situation, I agree that it would've been helpful if the call handler had let Mr C know that curtailment claims would only be covered if there was evidence to show that curtailment was medically necessary. And that they'd need to get in touch with AWP's assistance team prior to returning home early. If they'd done so, Miss C would've had an opportunity to try and speak to the hospital (and the assistance team) to attempt to obtain this evidence. With that said, given that Miss C does appear to have been able to mobilise with crutches, it isn't at all clear that the doctor (or the assistance team) would've concluded that the nature of her injury meant she needed to return home urgently. So I can't fairly find that she would've been in a position to evidence her claim, even if Mr C had been given clearer information. And therefore, I don't think it would be fair for me to direct AWP to treat the claim as if it was medically necessary for Miss C to have curtailed the trip and returned home early, incurring new travel costs.

Nonetheless, I think Mr C was left with the impression that he and Miss C would simply need to provide receipts in support of the claim and I appreciate that they would've likely experienced unnecessary frustration, disappointment and upset when they learned this wasn't the case. I was pleased to note that AWP has agreed to pay £100 compensation in recognition of its failing here.

Given Miss C hasn't provided AWP with evidence to show that curtailment of her trip was medically necessary, I agree that on a strict application of the policy terms, her curtailment claim isn't covered. However, I can depart from a strict interpretation of the contract terms if I feel their application produces an unfair result. And that's the case here, for reasons I'll go on to explore.

Miss C was on a skiing trip. The purpose of her trip was to ski. The injury she sustained in the accident meant that she was no longer able to take part in the activity for which the trip had been booked. And according to Mr C's testimony (which I find persuasive), Miss C was confined to using crutches and required support. So I think that at the point of Miss C's injury, her holiday was effectively ended. There's no evidence to suggest that Miss C was able to benefit from taking part in any other activities, or hotel facilities or that this was a

simple loss of enjoyment. It seems to me that even if Miss C had remained abroad until her intended return date, she would've likely been confined to her hotel room and the purpose of her trip would still have been frustrated.

As such, in these circumstances, I don't think it's fair or reasonable for AWP to turn down Miss C's full curtailment claim. Instead, I'm persuaded that it would be fair and reasonable for AWP to consider a partial curtailment claim, from the point of Miss C's injury until the planned end date of her trip. Such costs are likely to include Miss C's pre-booked accommodation and any pre-booked ski hire costs, although I must make it clear that my award is for AWP to consider a curtailment claim in line with the remaining terms and conditions of the policy. I'm not directing it to *settle* any particular costs – it will be for AWP to assess which costs may potentially be covered, based on the available evidence.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint.

I direct AWP P&C SA to:

- Consider Miss C's curtailment claim, in line with the remaining terms and conditions of the policy, from the date of her injury until the date of her planned return to the UK; and
- Pay Mr C and Miss C a total of £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Miss C to accept or reject my decision before 6 October 2023.

Lisa Barham
Ombudsman