

The complaint

Mrs and Mr P complain that AWP P&C SA declined their travel insurance claim and about its service. My references to AWP include its agents.

What happened

Mrs and Mr P have travel insurance through their bank. The insurer is AWP.

Mrs and Mr P went on holiday abroad with their adult daughter and son, their partners and young children. Very sadly while they were on holiday their daughter passed away suddenly.

Mrs and Mr P remained abroad to arrange the repatriation of their daughter and support her husband and children. They say that on 24 February 2022, the day after their daughter passed away, they called AWP before they made the arrangements to stay longer and AWP said their costs for the extension of their trip would be covered. When Mrs and Mr P returned home they made their claim, as AWP had told them to.

AWP declined the claim. It said the circumstances of Mrs and Mr P claim weren't covered by their policy terms.

Mrs and Mr P complained to us. In summary they said:

- They sent the claim to AWP in April 2022 but it said it didn't receive the claim so they resent the claim in July 2022. After several calls chasing a response AWP wrote to them in December 2022 rejecting the claim and saying its travel department would send the final response in writing which they'd never received. Mrs and Mr P continued to chase AWP for the decision to be re-reviewed by management, as it said it would, but then one of AWP's representatives told them to complain to us as the claim hadn't been looked at any further.
- AWP told them it would pay their costs to stay and repatriate their daughter. They stayed for an extra two and half weeks and the claim is for their extra hotel costs, medication for Mr P and the cost of hiring a mobility scooter for Mr P, which totalled £2,600.
- Their son and his partner have an identical insurance policy with AWP and AWP paid that claim once it listened to phone recordings which confirmed it had told them it would pay their expenses.
- They want AWP to pay their claim. They also want compensation as AWP's actions have caused them a lot of additional unnecessary stress and upset at a dreadful time, and they also had to pay for all the calls they made to chase AWP.

During our investigation our investigator contacted AWP to get clarification as to why it declined Mrs and Mr P's claim. AWP said the policy terms under the medical expenses section only provided cover for costs resulting from the insured person's death, not for costs resulting from the death of a person who isn't insured by the policy. AWP said it couldn't find a call from Mrs and Mr P on 24 February 2022. It could only find a call of 25 February when it told Mrs and Mr P their grandson wasn't covered on their policy.

Mrs and Mr P sent us a log of their calls which showed they phoned AWP on 24 and 25 February 2022. They also sent us an email from AWP of 24 February 2022 which they said showed AWP had told them it would pay their costs for the extended stay. Mrs and Mr P

also told our investigator that even if AWP had told them it wouldn't pay they would have sold their car to cover the costs to stay to repatriate their daughter.

Our investigator said AWP had fairly declined the claim, which wasn't covered by the policy terms. But he recommended AWP pay £750 compensation for Mrs and Mr P's loss of expectation and distress and inconvenience.

AWP accepted the recommendation. Mrs and Mr P didn't accept and wanted an ombudsman's decision. They said £750 wasn't enough. They'd been told by AWP that their costs would be covered, and it not paying has caused 'extreme pressure' on their finances on top of all their grief at losing their daughter and trying to help bring up her children.

What I provisionally decided – and why

I made a provisional decision that I was intending to say AWP reasonably declined Mrs and Mr P's claim but it should pay them more compensation, for their distress and inconvenience it caused and their loss of expectation, than our investigator had recommended. I said:

'The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

I send my condolences to Mrs and Mr P for the loss of their daughter. It's been a terrible time for them and it's clear that the situation with AWP has caused them substantial additional upset and inconvenience.

But having considered the policy terms I think AWP correctly declined the claim.

Travel insurance policies don't cover every situation a consumer finds themselves in. The policy terms and conditions set out what risks an insurer is prepared to cover. I've looked carefully at the policy terms and there is no cover for Mrs and Mr P's costs to extend their trip in their very sad situation.

Mrs and Mr P sent us a page of the cancellation and curtailment section of the policy and they'd marked the details about the death of a relative or the person they were travelling with. But those policy terms only apply for costs, detailed in the policy, when a holiday is cancelled or they have to return home early. That wasn't Mrs and Mr P's situation. The emergency medical and associated expenses section only provides cover for additional costs resulting from the death, injury, or illness of Mrs or Mr P. There is no cover for costs incurred to stay abroad as a result of the death of a person who wasn't insured under their policy.

As Mrs and Mr P's claim is for additional costs due to their extended stay because of their daughter's death, who isn't covered under this policy, AWP reasonably said the claim wasn't covered under the policy terms.

However, I think that on 24 February 2022 AWP did tell Mrs and Mr P that costs for the extended stay would be covered. AWP can't find a call for that date but I've seen the email it sent to Mrs and Mr P on 24 February, which says it's a summary of their call, and from the email's wording I think Mrs and Mr P reasonably understood AWP would pay costs for their accommodation extension and any flight extension. As the policy doesn't cover those costs in Mrs and Mr P's situation AWP gave them the wrong information.

Our investigator correctly explained that when an insurer gives wrong information, as AWP did here, we wouldn't automatically tell AWP to pay the costs just because it told Mrs and Mr P it would do. We look at the effect the wrong information had on Mrs and Mr P. Our

investigator said that as Mrs and Mr P told him they would have stayed to make arrangements for their daughter even if AWP had said the costs weren't covered he couldn't say they had extra costs because of AWP's wrong information. So he considered Mrs and Mr P's loss of expectation, distress and inconvenience and recommended AWP pay £750 compensation for those matters.

Taking into account all the circumstances I don't think £750 compensation is enough.

Mrs and Mr P called AWP the day after their daughter's sudden death to ask for advice about it covering their costs to stay abroad to arrange the very distressing and difficult task of repatriating their daughter to the UK. I think AWP should have reasonably been much more careful in the information it gave them about cover at such distressing and vulnerable time for them. Mrs and Mr P could reasonably expect that AWP had correctly told them their costs were covered.

AWP took eight months to confirm that it wasn't covering the claim but still gave Mrs and Mr P no proper explanation as to why. I can see from the email exchanges Mrs and Mr P had with AWP that after its December 2022 decline letter it told them it would re-review its claim decision but despite Mrs and Mr P chasing AWP never substantively responded.

I think AWP's wrong information and unreasonable actions have caused sustained substantial distress to Mrs and Mr P. They relied on the information they were given by AWP and made arrangements accordingly. So I can understand how upset, worried and frustrated they would have been to be told that they weren't covered especially when they had proactively sought that reassurance from AWP. This was at an already difficult time, when they've been grieving and dealing with the unexpected loss of their daughter and trying to support her grieving husband and young family. On top of this, as a result of AWP's mistake, they've also had financial worries as they haven't been able to recover the additional cost of the accommodation they paid for.

I've also taken into account the sustained impact of AWP's claims handling. Mr and Mrs P have had the worry of being out of pocket for a significant amount of money for around 18 months. AWP didn't engage with Mr and Mrs P's request to review the claim and the concerns they raised about AWP's decision to pay their son's claim which, they say, was made in almost identical circumstances. I think that's very disappointing given the circumstances of this case. I think this has caused Mr and Mrs P a lot of avoidable additional distress and inconvenience over a very long period of time.

In all the circumstances I think it would be fair and reasonable for AWP to pay £2,000 compensation to acknowledge Mrs and Mr P's substantial distress and inconvenience it's caused over about 18 months as well as their loss of expectation'.

Responses to my provisional decision

Mrs and Mr P accepted my provisional decision. AWP didn't respond by the date we gave it to respond.

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.

As Mrs and Mr P have accepted my provisional decision and AWP didn't respond I've no reason to change my mind. For the reasons I've given in my provisional findings and these findings I'm satisfied that AWP reasonably declined Mrs and Mr P's claim but AWP must pay

them compensation as I've set out below.

Putting things right

AWP must pay Mrs and Mr P £2,000 compensation to acknowledge their distress and inconvenience it's caused as well as their loss of expectation.

My final decision

I uphold this complaint and require AWP P&C SA to pay Mrs and Mr P £2,000 compensation to acknowledge their distress and inconvenience it's caused as well as their loss of expectation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 16 January 2024.

Nicola Sisk
Ombudsman