

The complaint

Mr J complains that AWP P&C SA has unfairly declined part of his claim under his travel insurance policy. Mr J is also unhappy with the service provided by AWP P&C SA during the claim.

What happened

Mr J was due to fly from the Isle of Man to Gatwick airport. He was then due to stay in a hotel before flying onto his final destination the following day. Unfortunately, Mr J's flight to Gatwick was cancelled. So that he didn't miss his connecting flight, Mr J booked a new flight the next morning which went to a different London airport.

Mr J was refunded by his airline but had paid more for the new flight. Mr J made a claim to AWP for the additional airfare cost as well as the accommodation at Gatwick which he'd been unable to use. AWP has paid the additional airfare cost but declined the unused accommodation. AWP has said that it's not something that's covered by the policy.

Mr J has also raised issues with the service provided by AWP during the claim. This includes the delay in settling his additional airfare. It also includes AWP using a number of reasons to decline the unused accommodation costs, sometimes including words that are not in the terms and conditions and quoting clauses that aren't in the terms and conditions at all.

AWP has agreed the service they provided could have been better. They offered Mr J £50 compensation for delays. AWP stated that they will, at times, add text to clarify an explanation, this is usually set out in bold or capitalised to bring further emphasis. AWP apologised to Mr J that this wasn't explained more clearly to him.

Our investigator thought that AWP's offer was fair. They didn't think that AWP had wrongly declined the unused accommodation part of the claim. They didn't think any additional compensation was warranted for the service aspects. Mr J didn't accept the outcome of the complaint.

As no agreement could be 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.

Unused accommodation costs

The relevant regulator's rules say that insurers must handle claims promptly and fairly. They must also not turn down claims unreasonably. So, I've considered, amongst other things the terms of Mr J's policy and the circumstances of his claim, to decide whether I think AWP treated him fairly.

In response to our investigator's assessment, Mr J has set out that he thinks the unused hotel costs should be covered under either section 1 or section 3 of the policy terms and

conditions.

Under 'Section 1 – Cancellation or curtailment', the policy covers Mr J due to the following necessary and unavoidable events:

- Cancellation of the **trip**: or
- **You** fully curtail (cut short) **your trip** before completion or partially curtail (interrupt) **your trip** for more than 48 hours; or
- **You** have to make an early return **home**

From what I've seen, none of the above events are applicable in this case. However, even if they were, the policy terms state that it has to have been as a result of specific events. A flight being cancelled isn't a listed event. In the circumstances, there isn't a valid claim under this section of the policy.

Section 3 is split into 4 different sub-sections. Mr J's additional flight costs have been covered under 'Travel delay' but Mr J believes his unused hotel costs should be covered under 'Accommodation disturbance'. The accommodation disturbance terms are as follows:

'We will pay **you** up to £5,000 for:

Your unused travel, accommodation and other **pre-paid charges** that **you** cannot claim back from any other source together with any 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, if **you** have to:

1. Move to other accommodation at any point during **your trip** if **you** cannot use **your** booked accommodation as a result of:
 - a. Fire, flood, earthquake, explosion, volcanic eruption and/or volcanic ash clouds, tsunamis, landslide, avalanche, hurricane, storm; or
 - b. An outbreak of an infectious disease
2. Cut short **your trip** with prior authorisation from **our** 24-hour medical emergency assistance service, if **you** cannot use **your** booked accommodation and **you** need to be repatriated to **your home** as a result of:
 - a. Fire, flood, earthquake, explosion, volcanic eruption and/or volcanic ash clouds, tsunamis, landslide, avalanche, hurricane, storm; or
 - b. An outbreak of an infectious disease; or
 - c. The Foreign, Commonwealth and Development Office (FCDO) or the equivalent regulatory authority in **your home country** or the country **you** are in recommending evacuation from the country or specific area **you** have travelled to, providing that advice came into force after **you** left **your home** country to commence the **trip**.'

Mr J has said that the commas in the above term means that from 'if you have to' onwards isn't applicable to his claim. However, I disagree. This is because the term sets out initially which costs are covered followed by what needs to have happened for these costs to be covered. As Mr J didn't move to other accommodation or cut short his trip as a result of the listed reasons above, Mr J isn't covered for the unused hotel costs under this part of the policy.

Although I have empathy for Mr J's situation, I've looked over the policy and don't think his unused hotel costs are covered by the policy. Mr J's additional flight costs were covered under the 'Travel delay' section of the policy. However, this also doesn't cover the unused hotel costs as it only covers '**Your** reasonable additional travel and accommodation expenses and not unused accommodation costs as a result of a delay. Mr J did have additional travel costs which haven't been paid, this was to get him from one airport to another, but Mr J has informed us that he didn't include these within his claim. So, I haven't considered them under this complaint. If Mr J wishes to claim these costs, he'll need to raise them with AWP.

Whilst I appreciate that Mr J wasn't able to use his pre-booked accommodation and his journey wasn't as straight forward as he would have liked, he was able to get to his final destination at no extra cost.

Mr J has asked whether not paying out for unused accommodation and extra flight reimbursement is an industry best practice. With insurance, no policy will cover every potential loss or set of circumstances. The insurer will set the policy terms and conditions and it's the customer's decision if they want to proceed with the policy. There is no obligation for AWP to cover both unused accommodation and extra flight reimbursement and with this policy they chose not to.

Based on the reasons above, I don't think AWP has treated Mr J unfairly in not paying his unused hotel costs.

Service issues

In their final response letter, AWP admitted that there were delays in dealing with his claim. Mr J didn't accept this as he was unhappy with the other service issues. However, he hasn't raised dissatisfaction about the compensation amount to us for the delays. So I won't be looking into this aspect in this decision.

I understand Mr J has queried comments made by the investigator. But my role here is to assess the complaint again and reach my own opinion on what's fair and reasonable in all the circumstances. This is what I've done.

Mr J raised his dissatisfaction with AWP about the wording of terms they used as a result of an email sent by AWP on 28 December 2022. AWP's email stated the following:

'Please be advised that according to the Policy Wording, if the flight is delayed/cancelled and an alternative flight wasn't provided within 12 hours, we can pay up to £5000 for either:

- a. The refund your share of the cost of your trip that you cannot claim back from any other source as a result of the abandonment of your trip; **OR**
- b. **Your reasonable additional 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 and which cannot be claimed back from any other source, if you have to make alternative arrangements to reach your destination.'

Mr J raised that the advisor had added the word “either”. He set out the term on page 19 under the accommodation disturbance sub-section. He went on to add that the advisor had misrepresented the terms and conditions text of “together” by omitting that word and inserting a bogus text of “as a result of the abandonment of your trip; or b your”. Again Mr J then set out the term on page 19 under the accommodation disturbance sub-section.

Whilst I accept that AWP added some bold and capitals to the policy terms in their email, AWP acknowledged this and apologised to Mr J for this in their complaint response.

I don’t agree that AWP added words, omitted words or inserted bogus text to the policy terms and conditions. This is because the terms quoted by AWP are from a different section being quoted by Mr J. AWP are quoting from travel delay sub-section but Mr J is quoting from the accommodation disturbance sub-section. As such, I don’t think that AWP needs to do anything in regard to this part of the complaint.

My final decision

AWP P&C SA has already made an offer to pay £50 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that AWP P&C SA should pay £50.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr J to accept or reject my decision before 19 January 2024.

Anthony Mullins
Ombudsman