

The complaint

Miss D is unhappy that AWP P&C SA, the underwriter of her travel insurance policy, gave her incorrect advice before she cancelled her holiday, resulting in her losing out financially.

All references to AWP include its claim handlers.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

AWP has a regulatory obligation to treat customers fairly. It must also handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

I know Miss D will be very disappointed but I'm not going to direct AWP to do anything more than it's already offered to put things right. I'll explain why.

- Everyone accepts that Miss D was given the wrong advice by AWP when calling it to discuss the reasons why she may need to cancel her holiday. It said she would be covered for the cost of the trip. That wasn't right because although the circumstances leading to the cancellation of the holiday was an insured event under the cancellation section of the policy (section 1), the policy terms reflect that she's only covered up to the financial limit of £5,000. And the cost of the holiday was over twice this amount.
- AWP has paid Miss D £5,000, as per the policy limit. It's also apologised and offered her £250 compensation as gesture of goodwill, which I understand Miss D didn't accept. She says that if she was given the right advice, her travel companion would've still travelled on their own.
- Even if I accepted that was the case, AWP has provided a screenshot reflecting that Miss D's companion wasn't a beneficiary under the policy. Although the policy does provide for a travel companion being covered under the policy (when an upgrade has been paid), I'm satisfied an upgrade wasn't bought in this case. So, even if Miss D's companion lost out on the opportunity of going on the holiday without Miss D because of the incorrect information being given by AWP, I don't have any power to award compensation personally to Miss D's companion for this missed opportunity to continue with their travel plans, or disappointment caused by the incorrect advice. That's because she isn't personally covered under the policy.
- I can, of course, understand Miss D's upset and disappointment when finding out that she'd been given the wrong information and that she wasn't going to be covered in full for the amount she'd paid for the holiday for her and her companion. I have a lot of empathy for her situation. As she says, she called AWP and expected that she'd

be given the correct information. Particularly given what she says about her eyesight at the time and being unable to read the policy terms.

- However, on the balance of probabilities, if the correct advice had been given, I'm satisfied Miss D still wouldn't have been able to go on the trip given the medical advice she'd received not to fly. She's also said in her complaint form to the Financial Ombudsman Service that although she enquired, the travel provider wasn't able to rearrange the trip. She also tried (unsuccessfully) to find someone else to go on the trip in her place to travel with her companion.
- Given the financial limits in the policy under the cancellation section of the policy, I'm satisfied her claim would have always been limited to £5,000.
- Miss D says she feels discriminated against. The Financial Ombudsman Service doesn't have the power to make any findings that the Equality Act 2010 ('the Act') has been breached. Only a Court can do that. However, if relevant, I am required to take the provisions of the Act into account when considering what's fair and reasonable (along with other relevant law, regulations, industry guidance and good industry practice) – which is what I have done here.
- I'm satisfied that AWP's offer to pay £250 compensation (which includes Miss D's personal disappointment that her companion didn't end up travelling because of the incorrect advice received from AWP) is reasonable. I think it fairly reflects the distress, shock and inconvenience Miss D personally experienced because of AWP's error in this case (which includes AWP's delays – accepted in its final response letter dated May 2023 – and Miss D's regular calls to AWP after she was eventually given the correct information at the end of March 2023).

Putting things right

I understand the offer of £250 compensation set out in the final response letter wasn't accepted so hasn't been paid. That being the case, I'm satisfied that AWP should pay £250 compensation for distress and inconvenience it's already offered.

My final decision

AWP P&C SA has already made an offer to pay £250 to Miss D to settle the complaint and I think that's fair in all the circumstances. My final decision is that AWP P&C SA should pay £250 to Miss D if it hasn't already done so. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 10 January 2024.

David Curtis-Johnson
Ombudsman