

The complaint

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

What happened

Mr and Mrs P have travel insurance as a benefit of a packaged bank account.

Mr and Mrs P were abroad on holiday in a country I'll call S. They were due to return to the UK on 4 March 2022. But on 1 March 2022, Mr P tested positive for Covid-19 using a lateral flow test (LFT). And a couple of days later, Mrs P tested positive for the virus too. Under S' rules, they were required to self-isolate in their accommodation and they weren't able to take their pre-booked flight back to the UK. They had to extend their accommodation booking until they both received negative LFT results. They were able to return to the UK on 15 March 2022. So Mr and Mrs P made a claim on their travel insurance policy for the additional expenses they'd incurred.

AWP considered Mr and Mrs P's claim under the emergency medical and associated expenses section of the policy. But it decided to turn the claim down. That's because it said that positive LFT results weren't sufficient evidence to show that Mr and Mrs P had a valid claim on the policy. It told them that it would need evidence of a positive PCR test result, or a medical report from a doctor before it would accept the claim.

Mr and Mrs P were unhappy with AWP's response. They said they'd called AWP on 2 March 2022. But AWP's call handler hadn't told them they'd need to undergo a PCR test or obtain a formal medical diagnosis. Mr and Mrs P said the call handler had simply told them to comply with S' quarantine requirements and to keep a log of their LFT results. They asked us to look into their complaint.

Our investigator thought Mr and Mrs P's complaint should be partly upheld. She didn't think that Mr and Mrs P's claim was strictly covered by the terms and conditions of the policy. But she didn't think it was fair and reasonable for AWP to turn down the claim. That's firstly because she felt S' quarantine requirements would've made it very difficult for Mr and Mrs P to obtain a medical report from a doctor. And she didn't think the policy required a policyholder to undergo PCR testing in order to make a valid claim. She noted Mr and Mrs P had provided photos of their positive LFT tests, together with evidence from the accommodation provider that their booking had been extended. So she thought Mr and Mrs P had provided reasonable evidence in support of their claim. And she recommended that AWP treat part of Mr and Mrs P's claim as covered under the medical expenses section of the policy, although she didn't think it needed to pay confinement benefit.

AWP didn't respond to the investigator's assessment.

Mr and Mrs P didn't think the investigator's recommendation went far enough. They thought AWP should cover their claim for confinement benefit under the policy terms. And they also considered that AWP should pay compensation for the inconvenience and time its handling of the claim had caused them.

I issued a provisional decision on 16 November 2022. In my provisional decision, I explained the reasons why I didn't think AWP had treated Mr and Mrs P fairly. I said:

'The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. The regulator's Principles for Business also say that financial businesses must pay due regard to the interests of their customers and treat them fairly. I've considered then, amongst other things, AWP's regulatory obligations; the policy terms and the available evidence, to decide whether AWP treated Mr and Mrs P fairly.

I've first considered the policy terms and conditions, as these form the basis of Mr and Mrs P's contract with AWP. Mr and Mrs P claimed that they were delayed abroad as a result of contracting a virus, so I think it was appropriate for AWP to assess the claim in line with the emergency medical and associated expenses section of the policy. I've set out a list of what I think are the main heads of cover which might apply to Mr and Mrs P's claim, given the costs Mr and Mrs P have claimed for, although I haven't set out the full terms here:

'We will pay you up to £10 million for the following expenses which are necessarily incurred within 12 months of the incident as a result of your suffering unforeseen bodily injury, illness, disease and/or compulsory quarantine (including being diagnosed with an epidemic or pandemic disease, such as Covid-19.)

Emergency medical, surgical, hospital, ambulance and nursing fees and charges incurred outside of your home country.

A medical confinement benefit of £50 a day (up to a maximum of £1,000) for every complete period of 24 hours you are admitted to hospital as an in-patient or are confined to your accommodation outside of your home country, on the advice of a treating doctor.

Reasonable additional transport or accommodation expenses incurred, up to the standard of your original booking, if it is medically necessary for you to stay beyond your scheduled return date. This includes, with our prior authorisation, reasonable additional transport or accommodation expenses for a friend or relative to remain with you or travel to you from your home country or escort you and additional travel expenses to return you to your home if you are unable to use the return ticket.'

This section of the policy also includes the following claims condition:

'In addition to the 'General claims information required' shown under the 'Making a claim' section on page 19, where appropriate, you must also provide us with: written confirmation from the treating doctor of the dates and reason you have to be confined on medical advice to a hospital or your trip accommodation.'

I think the policy terms make it clear that AWP will cover medical expenses claims if a policyholder suffers an illness while they're abroad. In this case, Mr and Mrs P's claim arose because they say they were diagnosed with Covid-19. It's a general principle of insurance that it's for a policyholder to provide enough evidence to show, on balance, that they have a valid claim on their policy. AWP didn't think Mr and Mrs P had provided sufficient evidence to show they'd been diagnosed with Covid-19 whilst abroad. So I've next thought about whether this was a fair conclusion for AWP to draw.

It's important I point out that there is no policy term which requires policyholders make Covid-19 related claims to provide evidence in the form of a PCR test. This simply isn't a term of the contract. AWP drafted the contract terms and it was open to it to include such a requirement if it wished to do so. But I don't think it can reasonably decline a claim on the

grounds of a requirement which isn't set out in the contract between the parties.

Mr and Mrs P have provided photographs of their positive LFTs, which they've told us were taken during their period of isolation at their accommodation. They've consistently told us the accommodation had to be extended to allow them to isolate in line with S' government's rules. I find the photos persuasive evidence that Mr and Mrs P contracted the virus whilst they were abroad.

I note Mr P has sent us an email, dated 16 August 2022, from the accommodation provider, which says:

'Mr and Mrs P were staying (at the resort) from 1/29/22 until 3/4/22 at the end of their vacation they tested positive for covid so they had to extend their days until 3/15/22 when they tested negative so they could go home.'

In my view, this is compelling, independent evidence that Mr and Mrs informed the provider that they'd tested positive for Covid-19 before their planned return date. And I think it's clear evidence that they accordingly extended their accommodation stay in order to carry out mandatory self-isolation. Mr P has also sent us a copy of an email he sent to the Foreign, Commonwealth & Development Office on 4 March 2022, which refers to his diagnosis and which requests assistance.

I've seen a copy of S' government's 'Covid-19' checklist which appears to have applied at the relevant time. This clearly states that those suffering symptoms of Covid-19 needed to self-isolate, as did the people they lived with. It stated too that patients should self-treat if they were suffering from a mild infection. There was simply no suggestion that a patient should seek medical advice unless they were suffering from more serious symptoms. I've seen no evidence that Mr and Mrs P suffered from serious symptoms, which meant they needed to see a doctor. So it's difficult for me to say that they should or could reasonably have obtained a medical report to certify their illness or their need to be confined to their accommodation.

In my opinion, the Covid-19 checklist is akin to medical advice that confinement to a patient's home or accommodation was necessary in cases of Covid-19. I'd add too that by this time, self-isolation for mild cases of Covid-19 was established medical practice, at least in the UK, as was the acceptance by the NHS and relevant authorities of positive LFT results without the need for a PCR test. And I think AWP ought to have reasonably known that Mr and Mrs P were unlikely to be able to provide a medical report to confirm their diagnosis.

Mr P says he first received a positive test result on 1 March 2022. He's consistently told us that he called AWP the following day and was told to follow S' quarantine rules and keep a log of LFT results. Mr P has provided a call log which clearly shows that he contacted AWP's claims team on 2 March 2022. This call lasted around 11 minutes. Despite requests, neither this call, nor a record of a call note, have been sent to us. So I can't listen to exactly what was actually discussed or refer to a summary of the call. In the absence of such evidence, I currently think Mr P's testimony on this point is plausible and persuasive. And it seems clear to me that Mr and Mrs P tried to take reasonable steps to alert AWP to their situation. If AWP's claims procedure required a PCR test before it would accept Mr and Mrs P's claim (despite the lack of such a policy term), I think AWP's call handler ought to have pointed this out to them during the call. Had they done so, I think it's most likely Mr and Mrs P would've been able to undergo a PCR test and send AWP their results.

Overall, I currently think that the evidence Mr and Mrs P provided to AWP from the start was sufficient to demonstrate that they had a valid claim on their policy. This means I don't think AWP acted fairly or reasonably when it decided to turn down their claim – especially given it

relied on a requirement which simply didn't form part of its contract terms. I'm satisfied that Mr and Mrs P were required to self-isolate in S as a result of contracting Covid-19. So I currently find that the fair outcome to this complaint is for AWP to treat Mr and Mrs P's claim as covered under the emergency medical and associated expenses section of the policy and to assess their full claim in line with the applicable policy terms.

Our investigator didn't think it would be fair to ask AWP to pay compensation to Mr and Mrs P for its handling of their claim. I disagree. As I've set out above, I think AWP had enough evidence from the outset to accept this claim. Instead, it's put Mr and Mrs P to unnecessary time and inconvenience, as it failed to answer their queries or provide information they'd asked for in a reasonable timeframe, meaning they needed to chase up AWP. And I don't doubt that these delays, together with the unfair decline of their claim, caused Mr and Mrs P avoidable trouble and upset. So I currently think it would be fair and reasonable for AWP to pay Mr and Mrs P £200 compensation to recognise the impact its handling of the claim had on them.'

I asked both parties to send me any further evidence or information they wanted me to consider.

Neither Mr and Mrs P nor AWP had any further points to make in regard to my provisional findings.

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, as neither party has provided any further substantive points, I see no reason to change my provisional findings.

So my final decision is the same as my provisional decision and for the same reasons.

My final decision

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

I direct AWP P&C SA to:

- Treat Mr and Mrs P's claim as covered under the emergency medical and associated expenses section of the policy and to assess the claim in line with the applicable terms and conditions of the contract;
- Pay Mr and Mrs P £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 2 January 2023.

Lisa Barham
Ombudsman