

The complaint

Mr G is unhappy that AWP P&C SA declined a claim he made on his travel insurance policy.

What happened

Mr G has the benefit of travel insurance via a package bank account. It covers him and a family member. He claimed on his travel insurance policy as he was denied boarding due to the airline using a smaller plane. Mr G rebooked with another airline so that they could arrive as planned as the airline couldn't offer them a flight the same day.

Mr G claimed for his additional expenses. The claim was declined as AWP said the circumstances weren't covered by the policy. Mr G complained but AWP maintained their decision to decline the claim. Mr G complained to the Financial Ombudsman Service.

Initially our investigator didn't uphold Mr G's complaint. However, he ultimately concluded that Mr G was entitled to the travel delay benefit for himself and a family member. AWP didn't agree and asked an ombudsman to make a decision as they didn't think the claim was covered.

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.

The relevant rules and industry guidelines say that AWP has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions say:

"If your (sic) or a travelling companion's trip is delayed for one of the covered reasons listed below, we will reimburse you for the following expenses, less available refunds, up to the maximum benefit for 'Travel delay' shown in the 'Benefits summary' [...]"

Covered reasons

1. A travel carrier delay (this does not include a travel carrier's cancellation prior to your departure date);"

In the circumstances of this case I think it would be fair and reasonable for AWP to pay the travel delay benefit. The impact of Mr G and his family being denied boarding was that their departure was delayed. I think it's fair and reasonable to conclude that can be considered as a travel carrier delay. The policy doesn't provide further clarification on what constitutes a travel carrier delay. And in the circumstances of this case I don't think a strict application of the policy terms leads to a fair and reasonable outcome. So, I think AWP should pay the claim under section C of the policy, subject to the remaining policy terms and conditions.

Putting things right

AWP should cover the claim under section C of the policy, subject to the remaining policy terms and conditions.

My final decision

I'm upholding this complaint and direct AWP P&C SA to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 April 2024.

Anna Wilshaw
Ombudsman