

The complaint

Mrs and Mr D complain that AWP P&C SA gave them wrong information about cancellation cover under their travel insurance policy. My references to AWP include its claim handling agents.

Mrs and Mr D are both insured under the policy but as Mr D has led the claim and complaint I'll just refer to Mr D unless the facts require otherwise.

What happened

Mrs and Mr D have travel insurance through a bank account, the insurer is AWP. They were due to go on holiday on 5 September 2023. They had to cancel the holiday as unfortunately in August 2023 their dog had a serious injury resulting in an operation and six to eight weeks post operation cage rest. The planned holiday was during the cage rest period. Mr D says that in August 2023 he phoned AWP to explain the situation and it told him he would be covered for the cancelled holiday.

Mr D claimed on the policy with a letter from the vet confirming the need and dates for the dog's cage rest. But AWP declined the claim saying the reason for the holiday cancellation wasn't covered by the policy terms.

Mr D complained to AWP. AWP's final response letter said it was upholding Mr D's complaint that he'd been given the wrong information about cancellation cover over the phone by its customer service team. AWP apologised, said it had given feedback to its team and offered Mr D £50 compensation for his inconvenience. AWP didn't change its mind about declining the claim.

Mrs and Mr D complained to us that AWP had acted unfairly. They accept the policy terms don't cover their holiday cancellation. But they say if AWP had told Mr D straight away in the call that the holiday cancellation wasn't covered they would have tried to give the holiday to friends or family, tried to change the holiday date or cancelled the holiday earlier and got a partial refund. They sent us the holiday let terms and conditions to show that if they'd cancelled the holiday within four weeks of the start date they would have been refunded 50% of the holiday cost. The holiday cancellation costs are £1,258 and Mrs and Mr D want AWP to pay them that amount in compensation.

During our investigation AWP told us it didn't have a recording of the initial call where Mr D said he'd been told he was covered for the claim. It only had a recording of a call made on 4 September 2023, after the claim had been declined, in which Mr D said he'd called it around three weeks ago.

Our Investigator said three weeks before Mr D's call with AWP on 4 September 2023 was 14 August 2023 which was outside the four week holiday cancellation cut-off date of 8 August 2023. So Mrs and Mr D wouldn't have been able to cancel the holiday within the cancellation period and receive a partial refund. Our Investigator said AWP's offer of £50 compensation wasn't enough and recommended that it pay Mrs and Mr D a total of £150 compensation for their loss of expectation, distress and inconvenience.

AWP accepted our Investigator's recommendation. Mrs and Mr D didn't accept and wanted an Ombudsman's decision.

Before I made my decision I asked Mr D if he had a phone bill which showed the date of his initial call to AWP. He sent us his mobile phone bill, which we sent to AWP, and in my provisional decision findings below I detailed the evidence the phone bill provided.

What I provisionally decided – and why

I made a provisional decision that I was intending to partly uphold the complaint. I said:

'AWP has a responsibility to handle claims promptly and fairly. And it shouldn't reject a claim unreasonably.

The policy terms and conditions set out the specific insured events that AWP will cover if Mrs and Mr D have to cancel a holiday. Cancellation due to a pet's ill-health isn't one of the events covered so AWP correctly declined the claim in line with its policy terms, which Mrs and Mr D accept.

The issue I have to decide is whether AWP gave Mr D wrong information when he called to ask about cancellation cover, whether that wrong information disadvantaged him and Mrs D, and whether AWP's new offer of £150 is reasonable in all the circumstances.

Although AWP says it can't find a record of an August 2023 call with Mr D, its final response letter accepts he was given wrong information by its customer service team. Mr D has provided a copy of his mobile phone bill. He's highlighted a call on 7 August 2023 which he says was to his bank who put him through to the insurance company. And he's noted that on the next day there's a call to the vet (phone number ending 888) when they discussed his dog's injury.

Given the evidence, I'm satisfied that Mr D did speak to AWP on 7 August 2023 and that was the date it gave him the wrong information that he and Mrs D would be covered if they cancelled the holiday due to their dog's ill-health.

I've considered what Mrs and Mr D have said about what they would do if AWP had told them from the start that they weren't covered for the holiday cancellation. If they had given the holiday to family or friends they would have still lost the holiday cost. I've seen no evidence that they would have been able to change the date of the holiday without any loss of the holiday costs.

However, I think AWP's wrong information about cancellation cover did disadvantage Mrs and Mr D in relation to the partial refund from the holiday business they could have got. That's because the holiday let terms and conditions say:

'If you cancel more than four weeks before the holiday, then 50% will be refunded less the non-refundable booking fee. If you cancel less, then four weeks before the holiday the full balance remains due and is not refundable'.

The four week cancellation period ended on 8 August 2023. Mr D's mobile phone record shows that he spoke to the vet on the 8 August 2023. The vet's letter which sets out the operation and cage rest requirements for Mrs and Mr D dog is dated 10 August 2023. So I think it's probable that on 8 August the vet and Mr D started to discuss the treatment his dog was likely to need.

On the evidence I have, on 8 August 2023 Mrs and Mr D knew that due to the nature of their dog's injury and the proximity to their holiday it was very likely they wouldn't be able to go on holiday. And on that date they believed, from what AWP had told Mr D, that they would be covered for cancellation. I accept that if Mrs and Mr D had known they wouldn't be covered by their policy for cancelling the holiday they would have cancelled the holiday on 8 August 2023 and been refunded 50% of the holiday cost, less the non-refundable booking fee, by the holiday business.

To put things right I think AWP should pay Mrs and Mr D 50% of the holiday cost less the non-refundable booking fee. Mrs and Mr D say the holiday cost £1,258 so 50% is £629. They will need to provide evidence of the non-refundable booking fee amount in response to this provisional decision.

I also think AWP should pay Mrs and Mr D £150 compensation for their distress and inconvenience. It was upsetting for them when they found out AWP wouldn't pay them the holiday cost, despite telling Mr D it would, especially when the holiday cancellation was due to their dog's serious injury so it was already a distressing time for them. It's not clear if Mrs and Mr D have already received the £50 AWP initially offered and the parties should provide that information in response to my provisional decision'.

Responses to my provisional decision

AWP said that using the information from Mr D's mobile phone bill it had found the missing call with Mr D, the call was as he described and it agreed to my provisional decision. Mr D sent the holiday let terms and conditions.

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 agreed with my provisional decision. Mrs and Mr D have made no objections to my provisional decision. So for the reasons I've given in my provisional findings and these findings I think AWP treated Mrs and Mr D unfairly and it must put things right as I've set out below.

I've already seen the holiday let terms Mr D sent in response to my provisional decision, which don't set out the cost of the non-refundable booking fee Mrs and Mr D were charged by the holiday business. Mrs and Mr D will need to send AWP evidence of the cost of the non-refundable booking fee. If Mrs and Mr D no longer have that information it's likely that the holiday business will be able to tell them.

Neither AWP nor Mrs and Mr D told me whether they have already received the £50 AWP initially offered. To be clear, the £150 total compensation I've told AWP to pay Mrs and Mr D for their distress and inconvenience due to its poor service includes the £50 initially offered.

Putting things right

AWP must pay Mrs and Mr D 50% of the holiday cost, £629, less the non-refundable booking fee. Mrs and Mr D should provide evidence of the cost of the non-refundable booking fee to AWP.

AWP must also pay Mrs and Mr D £150 total compensation for their distress and inconvenience its poor service caused.

My final decision

I partly uphold this complaint and require AWP P&C to pay Mrs and Mr D:

- 50% of the holiday cost, £629, less the non-refundable booking fee (Mrs and Mr D should provide evidence of the cost of the non-refundable booking fee to AWP), and
- £150 total compensation (including the £50 initially offered) for their distress and inconvenience its poor service caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 13 May 2024.

Nicola Sisk
Ombudsman