DRN-5190263

The complaint

Mr B and the estate of Mrs B have complained that AWP P&C S.A. declined a claim under a travel insurance policy.

What happened

The background to this complaint is well known to the parties. In summary Mr B has a travel insurance policy as part of his package bank account. The policy is underwritten by AWP. It also covered Mr B's late wife Mrs B. Any references to AWP in my decision include its agents.

Mr and Mrs B booked a holiday in March 2023 and were due to travel in February 2024. Very sadly Mrs B passed away on 27 January 2024 so Mr B made a claim on 29 January 2024 for the cancellation of the holiday. AWP declined the claim because it said the claim related to a pre-existing medical condition.

Mr B complained about AWP's decision to decline the claim and about delays in dealing with the claim. AWP acknowledged that Mr B hadn't received the level of communication they would expect and offered £150 compensation to apologise for this. But it maintained it had acted fairly in declining the claim because it said Mrs B hadn't declared her pre-existing medical conditions. Mr B remained unhappy and brought his complaint to this service.

Our investigator didn't recommend that it be upheld. She didn't conclude that AWP had unfairly rejected the claim and thought that the compensation offered for the service failure was fair.

Mr B appealed. He said he was upset the claim had been rejected as at all times Mrs B had been totally honest and had not tried to deceive anyone. He said that Mrs B was in a stable condition and had a good daily life and any problems she had were under control by her GP and the hospital by medicine and by regular checks.

Mr B reiterated that there was no way Mrs B was unfit to go on holiday. He said they also had holidays in 2023 without any problems whatsoever. It was only in January 2024 when on a different holiday to the one claimed for that Mrs B contracted an infection in her kidneys which started failing. But he said there was no way that this was known when they booked their holiday in 2023 and was certainly unexpected in January 2024. Mr B did not accept that any of Mrs B's other problems related to her kidney failure and said this was a one off and not envisaged.

As no agreement has been reached the matter has been passed to me to determine.

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.

Although I've summarised the background to this complaint - no discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

The regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So I've considered, amongst other things, the relevant law, the policy terms and the available evidence, to decide whether I think AWP treated Mr B and the estate of Mrs B fairly.

Having done so, and although I recognise that Mr B will be very disappointed by my decision, I agree with the conclusion reached by the investigator. I'll explain why.

Firstly I would like to offer my condolences to Mr B and the estate of Mrs B. I was sorry to read of her passing and do understand Mr B's point that she hadn't been unwell until the holiday they took in 2024. I accept that her health problems and liver cancer were under control and checked by both the GP and hospital.

Unfortunately though Mr B's insurance policy, which covered Mrs B, does not cover pre-existing conditions unless they are disclosed and accepted. This is not an unusual policy term.

The policy terms and conditions under the general exclusion section say AWP will not pay for claims arising directly or indirectly from:

Any pre-existing medical condition and associate conditions (unless terms are agreed in writing by us)

The policy defines a pre-existing medical condition as:

Any disease, illness or injury for which you have experienced symptoms, consulted a doctor or been diagnosed with before opening your (bank account) or when renewing your medical screening declaration on the health check date.

Mrs B had called AWP in 2022 to declare certain medical conditions, including liver cancer. She was advised that cover was declined for these conditions.

Sadly the death certificate indicates that Mrs B's cause of death was:

a) Renal failure
b) Decompensated Liver Cirrhosis
c) Recurrent Hepatocellular Carcinoma

I note that on the medical certificate Mrs B's GP reported that she had been diagnosed with liver cirrhosis in 2016. As I'm satisfied that the claim resulted from a pre-existing condition or associated condition, I don't find that it was unfair or contrary to the policy terms for AWP to decline the claim. The claim is simply not covered – even though Mrs B was experiencing no health issues until shortly before her passing.

Mr B has also complained about the poor customer service he received. AWP apologised and offered £150 in compensation. Mr B accepted this sum, which I find was fair for the poor communication issues. I make no further award.

I am sorry that my decision doesn't bring Mr B and the estate of Mrs B welcome news.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and the estate of Mrs B to accept or reject my decision before 5 May 2025.

Lindsey Woloski
Ombudsman