

The complaint

Mr N has complained that AWP P&C S.A. hasn't fully settled a claim he made on a travel insurance policy.

What happened

Mr N was on a trip abroad when he lost his bag. He therefore made a claim for lost items. AWP settled the claim in March 2025 for £884. However, Mr N is unhappy that it only paid out £300 for a watch and that it wouldn't pay the costs for replacement medication.

Our investigator thought that AWP had acted reasonably in the way it settled the claim, in line with the policy terms and conditions. Mr N disagrees and so the complaint has been passed to me for a 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.

I've carefully considered the obligations placed on AWP by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for AWP to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

So, I've considered the terms of the policy held, as this forms the basis of contract between the parties. There are a number of terms within the policy which I consider relevant to the complaint.

Looking at the policy terms, under 'Baggage', it states:

'What you are covered for

The most we will pay in total for valuables is £500, There is also a limit of £300 for any one item, pair or set. These sub-limits apply in total for the items(s), whether they are jointly owned or not.

Note:

It will be our decision to pay either:

- the cost of repairing your items;*
- to replace your belongings with equivalent items; or*

- *the cost of replacing your items. An amount for wear, tear and loss of value will be deducted.*

No payment will be more than the original purchase price you paid for the item.

What you are not covered for

We will not cover:

- *Any claim for:*

– perishable goods;

AWP paid out £300 for the watch. Mr N says that it should have offered him a replacement first. However, the above wording makes it clear that AWP will decide whether to replace or pay out for the cost of the item. As the single item limit for valuables is £300, I'm satisfied that it has settled that part of the claim correctly.

I'll turn now to AWP's declination of the claim for replacement medication.

One of the reasons it gave for declining this part of the claim was that perishable goods are not covered under the baggage section of the policy. As I understand it, it typically categorises medications as such due to their nature and sensitivity to environmental conditions, although the word 'perishable' is not defined within the policy terms.

Mr N has argued very strongly that his particular medication was not perishable. Whilst I can understand why AWP mentioned it, I think there's an over-emphasis on this clause in this case (although I can't agree that it amounts to fraud in the way that Mr N suggests). However, I'm not persuaded that Mr N has been disadvantaged in any way because of this. That's because AWP had a second reason for declining the claim for medication costs.

Under the 'Emergency medical and associated expenses' section of the policy, it states:
What you are not covered for

- Any claim that is the result of a pre-existing medical condition. This exclusion will not apply if that pre-existing medical condition had already been declared to us and accepted by us in writing.

Mr N had not declared the condition that required him to take the medication. He said in his complaint form that he doesn't have a pre-existing medical condition because, although he had been having chest pains, the cause is still being investigated, and he hasn't received a diagnosis yet. However, the definition of a pre-existing medical condition within the policy terms is:

'Pre-existing medical condition – Any medical condition for which, at the date you became an insured person under this policy or the date when your trip was booked, whichever is later, you:

- *had received advice, medication or treatment from a doctor during the last 12 months;*
- *were under investigation or awaiting a diagnosis;*
- *were on a waiting list for treatment as an in-patient or were aware of the need for treatment as an in-patient; or*

(.....)'

Mr N said it was false that he was awaiting test results and queried why our investigator had mentioned that. In response, our investigator explained where he'd seen the information, but offered to look at that aspect of the complaint again if Mr N could provide further details about his health. Mr N declined to do so, saying that the claim was just about lost baggage and not health related. However, I consider that it was appropriate for AWP to look at the claim for medication under the 'emergency medical and associated expenses' section of the policy.

Based on the available evidence, as Mr N was on medication at the time of the trip, and his symptoms were under investigation, I'm satisfied that he met the definition of having a pre-existing medical condition that he should have declared to AWP. As he did not do so, the loss of his medication was not covered under the policy.

I have sympathy for the situation Mr N has found himself in. The circumstances of the loss were outside of his control and must have been very stressful. However, the matter at hand is whether AWP has done anything wrong – and I'm unable to conclude that it has. Overall, I'm satisfied that it has assessed the claim fairly and reasonably, in line with the policy terms. It follows that I do not uphold the complaint.

My final decision

For the reasons set out above, I do not uphold the complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 22 October 2025.

Carole Clark
Ombudsman