

The complaint

Mr I and Ms M complain because AWP P&C S.A. hasn't paid a cancellation claim under their travel insurance policy.

What happened

Mr I and Ms M are insured under a travel insurance policy provided as a benefit of a packaged bank account. The policy is underwritten by AWP.

Mr I, Ms M and their family were due to travel abroad. Unfortunately, they had to cancel their holiday because their daughter (who was also due to travel but who isn't insured under this policy) was ill. Mr I and Ms M made a claim with AWP, who said the cancellation costs weren't covered because the claim related to a pre-existing medical condition.

Unhappy, Mr I and Ms M complained to AWP before bringing the matter to the attention of our Service.

One of our Investigators looked into what had happened. He initially said he didn't think AWP had acted unfairly or unreasonably in the circumstances but subsequently reviewed his position and said he thought AWP should pay Mr I and Ms M's claim. AWP didn't agree with our Investigator's opinion, so the complaint was referred to me. I made my provisional decision about the complaint earlier this month. In it, I said:

'Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when making my provisional decision.'

In reaching an independent and impartial outcome, I'm not limited to considering the reasons which AWP has given Mr I and Ms M for declining this claim. Our Service has an inquisitorial remit which allows me to consider the subject matter of a complaint as a whole, to reach an outcome which I think is fair and reasonable to both parties in the circumstances.

AWP initially said this claim wasn't covered because it related to a pre-existing medical condition. However, the policy definition of 'pre-existing medical condition' only applies to those insured under the policy, which Mr I and Ms M's daughter wasn't. Instead, Mr I and Ms M's daughter would be considered either a relative or a travelling companion.

The policy doesn't cover claims for cancellation due to the ill-health of a policyholder's relative or travelling companion if that relative or travelling companion was receiving hospital treatment or awaiting investigations or treatment at the time of booking a trip, or if they had been given a terminal prognosis or been told their condition was likely to get worse in the next 12 months. Based on the medical evidence I've seen, none of these criteria applied to Mr I and Ms M's daughter.

However, insurance is designed to cover unforeseen events. And I wouldn't expect a travel insurance policy to provide cover for issues which the policyholder was aware of at the time of booking a trip. Mr I and Ms M's policy doesn't cover circumstances where a claim might

reasonably be anticipated.

I understand Mr I and Ms M say their daughter wasn't aware she couldn't fly until after this trip was booked. However, the medical certificate submitted with the claim says Mr I and Ms M's daughter wasn't fit to fly from August 2024 and was also signed off work from that date due to her illness, which was before the trip was booked. The certificate was completed by a qualified medical professional and is therefore persuasive evidence, which I don't think it would be fair to disregard.

In summary, the medical evidence says, at the time of booking this holiday, Mr I and Ms M's daughter wasn't fit to fly. And the trip was later cancelled because of the same medical condition. So, I don't think I can fairly conclude that the reason for the cancellation was unforeseen or couldn't reasonably be anticipated at the time of booking.

While I'm sorry to disappoint Mr I and Ms M, I don't think it would be fair or reasonable to direct AWP to pay their claim in these circumstances.'

AWP accepted my provisional decision, but Mr I and Ms M didn't, and provided further evidence confirming the date the GP certificate was completed.

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 understand the medical certificate was completed by Mr I and Ms M's daughter's GP in December 2024. This isn't in dispute. But the medical certificate clearly states Mr I and Ms M's daughter wasn't fit to fly before the trip was booked and I can't fairly disregard this information. I appreciate Mr I and Ms M expected their complaint to be upheld but I'm not bound to follow our Investigator's approach, and I don't think it would be fair or reasonable in the circumstances to require AWP to accept this claim.

My final decision

My final decision is that I don't uphold Mr I and Ms M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I and Ms M to accept or reject my decision before 25 September 2025.

Leah Nagle
Ombudsman