

The complaint

Mr M and Mrs M complain AWP P&C S.A. (AWP) cancelled their travel insurance policy after they declared their medical conditions.

This complaint has been brought by both Mr M and Mrs M, but as Mr M has been leading on this complaint, and for ease, I've referred to him throughout.

Any references to AWP in this decision also include the actions of any agents acting on its behalf.

What happened

The circumstances of this complaint will be well known to all parties and so I've summarised events.

Mr M held an annual multi-trip travel insurance policy which was underwritten by AWP. At the end of May 2025 Mr M spoke with AWP to declare a change in health. During this call it became apparent Mr M hadn't declared his pre-existing medical conditions at renewal as he had assumed this would be done automatically.

On 30 May 2025 AWP wrote to Mr M to advise there would be an additional premium of £404 due. Mr M emailed back to say the quote was too expensive and he would look to cancel the policy once he had returned from his trip. In the meantime, he purchased an alternative policy, although he has said this policy didn't provide him with hire car excess waiver protection. His trip started the following day.

On 5 June 2025 AWP wrote to say as Mr M hadn't agreed to pay the additional premium due the policy had ceased as of 30 May 2025. Mr M raised a complaint. He said he was unhappy AWP had cancelled his policy five days into his trip leaving him short of cover.

On 13 June 2025 AWP issued Mr M with a final response to his complaint. It said Mr M's policy doesn't provide optional cover for pre-existing conditions and so the premium would have needed to be paid for pre-existing conditions or the policy would need to be cancelled. Mr M referred his complaint to this Service.

Our Investigator looked into things. He said he didn't think it was unreasonable for AWP to cancel the policy once the additional premium hadn't been agreed, and he didn't think it was able to communicate this to Mr M prior to his trip starting.

Mr M didn't agree with our Investigator. He provided a detailed response but in summary he said AWP had been less than clear in how it had calculated the additional premium. He also said AWP cancelled the policy despite being aware he had travelled and had asked for the policy to remain in place.

As an agreement couldn't be reached the complaint has been passed to me to decide.

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 want to acknowledge I've summarised Mr M's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focused on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr M and AWP I've read and considered everything that's been provided.

The terms of Mr M's policy explain that pre-existing medical conditions need to be declared to AWP. The terms also explain any change in health which takes place between the policy start date and the date of any trips would also need to be declared. The terms go on to state:

'We will then decide if we can provide you with cover on existing terms. We may ask you to pay an additional premium or add special conditions to the policy. If we cannot provide cover, or if you don't want to pay the additional premium, you can make a cancellation claim if you have booked and paid for a trip that you have not yet made. Alternatively, you can cancel your policy and we will send you a pro-rata refund (subject to no known or reported claims).'

AWP has shown following Mr M declaring his pre-existing medical conditions which should have been declared at policy inception, and the change in health, there was an additional premium due. Mr M emailed AWP to say the premium was too expensive and so he would be looking to cancel the policy on his return.

AWP has explained the policy doesn't provide the option not to cover medical conditions and so if the additional premium isn't paid, the policy would have to be cancelled. This isn't uncommon with travel insurance policies, and I don't consider this to be unreasonable. Ultimately, the risk AWP had agreed to cover at policy inception had fundamentally changed following the declaration of medical conditions. So, in the circumstances I don't think it was unreasonable for AWP to cancel the policy in line with the terms of the policy given Mr M didn't agree to pay the additional premium due.

I acknowledge Mr M had already started his trip when the policy was cancelled and so I've considered whether I think AWP should have communicated this to Mr M sooner than it did.

Mr M declared his change in health to AWP a couple of days before his trip was due to start and so AWP had limited time to make Mr M aware an additional premium was due. I can see this was communicated to Mr M on 30 May 2025, the day before he was due to travel. Mr M responded on the same date to say the premium was too expensive and he would be looking to cancel the policy on his return, but this email was sent after AWP's offices had closed. Therefore, I don't think AWP could have reasonably communicated the cancellation of the policy to Mr M prior to his trip starting.

Mr M has said he considers the additional premium due to be excessive against market comparisons. Insurers are entitled to calculate a risk and place a premium against this risk. This is ultimately a business decision and isn't something we would usually think is fair to interfere with. But I can look at whether AWP has treated Mr M fairly in regard to the additional premium it looked to charge.

AWP has provided evidence to show the additional premium due following Mr M's medical declaration and change in health was £404.

However, it isn't entirely clear whether the additional premium due for Mr M's change in health has been incorrectly backdated to the start of the policy or has been calculated on a pro-rata basis based on when the change in health occurred as I would have expected it to be. So, it is possible the additional premium Mr M was quoted wasn't entirely accurate. However, I'm not persuaded Mr M would have acted differently in any event and I'll explain why.

Ultimately, Mr M chose not to pay the additional premium, and so he hasn't paid a higher premium than he should have done. Even if there has been an error in the calculation of the additional premium due, the evidence would suggest an additional premium of around £350 would have still been due regardless.

I think in the circumstances it's more likely than not Mr M wouldn't have agreed to pay this additional premium and would have sought an alternative policy as he did anyway. So, whilst I think it's possible AWP may have quoted an incorrect additional premium due, I think Mr M would have always ended up in the same position he found himself in.

So, for the reasons I've set out, I won't be requiring AWP to pay Mr M compensation. Additionally, based on the evidence provided it appears Mr M is most unhappy that AWP cancelled his policy after his trip had started, which as I've explained, I don't think was unreasonable. He was also able to purchase an alternative policy prior to his trip starting, so I think this has limited the distress he was caused considerably.

My final decision

For the reasons I've outlined above, I don't uphold Mr M's complaint about AWP P&C S.A.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 14 April 2026.

Andrew Clarke
Ombudsman