

The complaint

Mr and Mrs M are unhappy that AWP P&C SA hasn't paid the monetary value of cabin upgrade vouchers they used to book flights abroad as part of their cancellation claim under their travel insurance policy ('the policy'). They're also unhappy about the way the claim was handled.

What happened

Mr and Mrs M had to cancel a trip abroad because of illness. They made a claim under the policy. The airline refunded the money paid for the flights as well as returning the (travel) points used towards the flights and cabin upgrade vouchers.

Mr and Mrs M made a claim for the monetary equivalent value of the upgrade vouchers. One of the cabin upgrade vouchers was due to expire around two months after Mr and Mrs M had been due to travel and the other, around six months after that. And it was unlikely that they could use them before their respective expiry dates.

AWP declined the claim. Mr and Mrs M didn't agree and after AWP maintained its position, Mr and Mrs M brought a complaint to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint.

Mr and Mrs M disagreed and raised points in reply. These ultimately didn't change our investigator's opinion so this complaint was passed to me to consider everything afresh to decide. I issued my provisional decision explaining why I intended to partially uphold this complaint. I said:

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I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

That includes all points made by Mr and Mrs M. However, I won't respond to each of these. I hope they understand that no discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every point to fulfil my statutory remit.

In considering what's fair and reasonable in all the circumstances of the case, I've taken into account all relevant law and regulations, regulator's rules, guidance and standards, codes of practice and good industry practice at the relevant time. That includes AWP's regulatory obligation to handle insurance claims fairly and promptly – and to not unreasonably decline a claim.

Subject to the remaining terms and conditions, the policy does provide cover for: "irrecoverable unused travel... costs which have been paid or are contracted to be paid..." if

the trip is cancelled due to Mr and/or Mrs M being ill.

I know Mr and Mrs M will be very disappointed as they feel very strongly that AWP has acted unfairly here but I'm satisfied that AWP has fairly and reasonably declined to pay the monetary value of the cabin upgrade vouchers in the circumstances of this case.

Although, the expiry dates on both vouchers were nearing, the cabin upgrade vouchers had been returned to Mr and Mrs M by the airline after they'd cancelled their trip. So, I'm satisfied this wasn't an irrecoverable loss.

I appreciate that Mr and Mrs M didn't think they'd be able to travel and I do have empathy for their circumstances. However, I don't think it would be fair and reasonable for me to direct AWP to pay the monetary value in circumstances where the airline has returned the cabin upgrade vouchers but retained the expiry dates.

Further, Mr and Mrs M did end up using the cabin upgrade vouchers for a short-haul trip which they'd booked during Mrs M's treatment.

I've taken into account all points made by Mr and Mrs M including what they say about using the vouchers to mitigate their losses, the difference in the upgrade value between the two flights was substantial and they'd still incurred a monetary loss in real terms. I appreciate that the upgrade and flight duration wasn't comparable to the trip that was cancelled.

However, I'm satisfied that AWP has fairly concluded that not only were the cabin upgrade vouchers recoverable, but they were also used by Mr and Mrs M.

I've also taken into account that the policy says the following isn't covered:

More than the lowest market value of equivalent accommodation, transport charges and other travel expenses, if you paid for them using frequent-flyer points, Avios, loyalty-card points vouchers or another similar scheme.

However, I haven't placed much weight on that term because ultimately the upgrade cabin vouchers were recovered from the airline (and used).

I've also considered the way the claim was handled. In its final response dated July 2025, AWP recognised the stress caused by the delays in communication and the handling of the claim. I think this would've been upsetting. Having looked at AWP's internal contact notes, although the claim may have been 'nuanced' as stated by AWP, I do think there were unreasonable delays in assessing the claim which led to Mr M having to contact AWP for updates, at an already difficult time for him and Mrs M. I think AWP could've been clearer about what they needed and why, and relevant timeframes. I'm intending to find that £100 compensation fairly reflects the impact on them.

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I invited both parties to provide any further information in response to my provisional decision.

AWP said it had nothing to add. Mr and Mrs M didn't reply.

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 received no substantive or new information in response to my provisional decision. So, I find no compelling reason to depart from my provisional findings.

For reasons set out in my provisional decision (an extract of which is set out above and forms part of this final decision), I partially uphold this complaint.

My final decision

I partially uphold this complaint and direct AWP P&C SA to put things right by paying £100 compensation to Mr and Mrs M for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 19 March 2026.

David Curtis-Johnson
Ombudsman