

The complaint

Mr and Mrs P are unhappy that AWP P&C SA declined a claim made on their travel insurance policy ('the policy').

What happened

Mr and Mrs P had the benefit of a travel insurance policy as part of a packaged bank account.

In March 2022, they'd booked to go on a trip abroad in October 2022 with their children. A few weeks before their intended trip, they cancelled it as Mr P slipped a disc in his back and required an operation. They claimed on the policy.

AWP declined the claim on the basis that Mr and Mrs P hadn't declared he'd had an MRI scan on his back which was carried out shortly before booking the trip. AWP concluded the reason for the trip cancellation related to Mr P's pre-existing medical condition. And as AWP hadn't agreed to cover this pre-existing medical condition before booking the trip, the claim was declined.

Unhappy, Mr and Mrs P complained to the Financial Ombudsman Service. Our investigator looked into what happened and, ultimately, concluded AWP had fairly declined the claim. However, she did think AWP should have provided Mr and Mrs P with better service. And recommended it pay them £100 compensation.

AWP accepted our investigator's opinion. Mr and Mrs P disagreed. So, their complaint has now been passed to me to look at everything afresh 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.

AWP has an obligation to handle insurance claims promptly and fairly - and shouldn't unreasonably reject a claim.

I know Mr and Mrs P will be very disappointed but, for the reasons set out below, I'm satisfied AWP has acted fairly and reasonably by declining his claim.

The terms and conditions of the policy reflect that the policy doesn't automatically include cover for pre-existing medical conditions. And the general exclusions say AWP won't pay for any claims arising directly or indirectly from any pre-existing medical condition and associated conditions (unless terms are agreed in writing by AWP).

Pre-existing medical condition is defined as:

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

The health check date definition includes:

Before booking a trip if your health has changed (your pre-existing medical condition has deteriorated, your dosage or number of prescribed medications has increased or you have developed a new medical condition)

The “health declaration and health exclusions” section of the policy (starting page 15) says:

You must provide us with further details about your pre-existing medical condition if:

You answer yes to any of the following medical screening questions; and

The pre-existing condition is not one of the ‘No screen medical conditions’ listed in this section

It explains how Mr and Mrs P can provide AWP with further details of their pre-existing medical conditions (by email or by calling) and if they failed to do this “it may mean you will not be covered for related claims”.

I’m satisfied the requirement to disclose pre-existing medical conditions to a travel insurer and undergo a medical screening prior to travel in order for pre-existing medical conditions to be covered isn’t unusual.

It isn’t disputed that Mr and Mrs P’s trip was cancelled for reasons relating to a slipped disc in Mr P’s back. Mr P’s consultant’s letter dated September 2022 sets out his diagnosis and advises that he doesn’t travel on any long or short-haul flights until his pain is resolved.

The medical information I have about Mr P’s back issue is, I think, relatively limited. The medical certificate completed by Mr P’s consultant (for the attention of AWP) reflects the diagnosis as recurrent right L4/5 disc prolapse and that the first onset of Mr P’s symptoms for this condition was in July 2022. The consultant says they first met with Mr P about the condition in August 2022. I accept that’s many months after the trip was booked.

However, the medical certificate also reflects that Mr P had a MRI scan in March 2022 which showed recurrent disc bulge but ‘symptoms settled spontaneously’. Our investigator asked Mr P more questions about this and he confirmed that his MRI took place in mid-March 2022. The trip was booked a few days after that.

Disc bulge/back conditions aren’t on the list of ‘no screen medical conditions’ in the policy terms and conditions.

So, I’ve considered whether any of the medical screening questions should’ve been answered ‘yes’. The medical screening questions include:

In the last six months have you...

Received treatment for or consulted a doctor about any medical condition?

Attended a hospital or clinic as an out-patient or in-patient for any reason?

I know Mr P says that he had the MRI scan as a precaution. He says he'd felt some tension in his back and he'd had a back operation years before. He didn't have to take any time off work around the time of the MRI, and didn't need any further treatment at the time.

But the requirement for Mr and Mrs P to notify AWP of any pre-existing medical conditions which they wanted cover for was clearly and prominently set out in the policy terms which they had access to.

Because Mr P had a MRI scan on his back a few days before the trip was booked, I'm satisfied that Mr and Mrs P should've answered 'yes' to the medical screening questions. And they should've contacted AWP if they wanted his back condition to be covered but didn't.

Although the available medical evidence is limited, I'm satisfied AWP has fairly concluded that Mr P had a pre-existing medical condition as defined by the policy terms and has fairly linked the pre-existing medical condition with the reason why the holiday was cancelled.

So, under the policy terms, Mr and Mrs P didn't have cover for any claims relating to Mr P's back. And I don't think it would be fair and reasonable for me to require AWP to retrospectively provide cover for a risk it hadn't agreed to accept before Mr and Mrs P booked their trip in the circumstances of this case.

When making this finding I've taken into account that Mr P called AWP before the trip was cancelled, to see whether he and Mrs P would be covered. He says he was told if the trip was cancelled, they'd be covered and, acting upon that assurance, the trip was cancelled. Otherwise, he says, a family member could have travelled with Mrs P and their two children. It wouldn't have cost much to have changed his flight details to the family member.

I've listened to the calls Mr P had with AWP's representative shortly before and shortly after cancelling the trip. I'm not satisfied that Mr P was given any misleading or inaccurate information. The information he was provided was based on what he told the representative; that the holiday was booked in March 2022 and his back condition first started in August 2022. There's no mention of him having an MRI scan on his back shortly before the trip was booked. I don't think it was unreasonable for AWP to rely on what Mr P said during the calls when providing the information that it did.

It took over three months for AWP to assess the claim and notify Mr and Mrs P that their claim had been declined. During this time Mr and Mrs P chased for updates and didn't receive call backs as promised. They were also asked to send documents to AWP more than once. Further, after the claim was declined, AWP didn't provide Mr and Mrs P with call recordings requested so that they could hear what was discussed when Mr P called AWP in October 2022, around the time of cancelling the trip and before making the claim.

I'm satisfied that there were some service failings by AWP and Mr and Mrs P were put to some distress and inconvenience as a result. I think AWP should pay them £100 to reflect this.

Putting things right

I direct AWP to pay Mr and Mrs P £100 compensation for distress and inconvenience.

My final decision

I partially uphold this complaint and direct AWP P&C SA to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to

accept or reject my decision before 24 November 2023.

David Curtis-Johnson
Ombudsman