

The complaint

Mrs O complains that Aviva Insurance Limited (Aviva) unfairly declined her travel insurance claim.

What happened

The following is just a brief summary of the key events. All references to Mrs O include her representative.

Mrs O is a beneficiary of a group Personal Accident, Sickness & Business Travel Policy which was sold in December 2021. The policy provided a leisure travel extension of the business travel section of the policy. This provides cover for leisure trips undertaken by directors and their spouses/partners and children, as long as the trip doesn't exceed 60 days in duration. The policy had previously included an exclusion relating to claims caused directly or indirectly by Covid-19, but this exclusion was removed prior to this renewal.

In December 2021 Mrs O was due to travel to a country which I'll refer to as 'F', with an onward connecting flight to a country which I'll refer to as 'C'. Mrs O's flights and accommodation were booked separately.

The trip got cancelled because F's government closed their borders to people travelling from the UK, which prevented Mrs O from completing her journey to C. The airline in question refunded the cost of the flights but the accommodation refused a refund and offered vouchers which were declined. Mrs O therefore made a claim on the policy for the cost of the accommodation.

Aviva declined the claim. In doing so, it said there was no cover in place for Mrs O's circumstances as the policy specifically excluded regulations made by government. Aviva concluded that as the closure of the border was a government action, the exclusion applied.

Unhappy with Aviva's stance, Mrs O brought her complaint to the Financial Ombudsman Service. Our investigator didn't uphold Mrs O's complaint. In summary, he said the policy exclusion was applied fairly by Aviva.

Mrs O didn't agree with our investigator. Mrs O said when the policy was arranged in December 2021, she was told by Aviva that there were no restrictions for Covid-19. As an agreement couldn't be reached, the complaint has been passed to me to review.

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.

Aviva has an obligation to handle claims promptly and fairly. And it shouldn't unreasonably reject a claim.

Both parties have provided detailed submissions to support their position. I want to assure them I've read and carefully considered everything they've said, but my findings focus on what I consider to be the central issues, and not all the points raised.

I know Mrs O will be very disappointed but for the reasons set out below I'm satisfied Aviva has acted fairly and reasonably when declining the claim.

I understand that the policy was taken out through a broker, therefore Aviva aren't responsible for the sale of the policy. Any concerns regarding the suitability of the policy would need to be raised separately with the broker.

There have been some queries from Aviva as to which party has suffered a financial loss due to the trip being cancelled – the policyholder or Mrs O. As I'm not upholding this complaint, I won't make any findings on this.

The cancellation section of the policy sets out exclusions specifically relating to cancellation claims. The exclusion which Aviva has relied on to decline Mrs O claim from this section expressly states Mrs O isn't covered for:

“Regulations made by any Government or public authority.”

I'll refer to this as the 'government regulation exclusion'.

Mrs O has said she had a private travel policy which would have provided cover in these circumstances, but it was cancelled because Aviva said all exclusions relating to Covid-19 had been removed from this policy. Mrs O argues that had she not been told this, she wouldn't have cancelled her private travel policy.

Firstly, I've not seen any evidence that this situation would have been covered by Mrs O's personal policy. But in any event, my role here is to consider the policy in question and whether Aviva has acted fairly. And I am satisfied that it has.

Mrs O said she was led to believe all Covid-19 exclusions had been removed. I have seen a copy of the summary of key changes to the policy, in which Aviva says that in the business travel section of the policy, it has removed the exception for claims relating to Covid-19. So, Mrs O was correct in thinking that there are no restrictions within the policy specifically focussed on Covid-19. But I'm satisfied that the government regulation exclusion above, isn't specifically related to Covid-19 and covers a wide range of scenarios. While Covid-19 exclusions may have been removed from this policy, it's not to say that all eventualities relating to Covid-19 would be covered. I've not seen any evidence which indicates Aviva provided incorrect information to Mrs O on this point. In my experience this is a common exclusion found in lots of travel insurance policies, and I can't see that Aviva told Mrs O it was being removed, so I don't think it's done anything wrong here.

I'm satisfied that the primary reason Mrs O's trip was cancelled was as a result of F's government restriction on travel.

I have carefully thought about the exclusion Aviva has applied in this case and I think Aviva has acted reasonably by relying on the government regulation exclusion to decline Mrs O's claim. I say this because, at the time of Mrs O's flights being cancelled, it was a requirement of F's government that the border was closed for all people travelling from the UK. And therefore, as Mrs O was travelling from the UK, the restriction applied in her situation. I'm satisfied that this amounted to a regulation made by F's government. I've not seen any evidence to persuade me that Aviva has acted unfairly by applying this exclusion to Mrs O's claim.

I appreciate Mrs O may have incurred expenses as well as inconvenience as a result not being able to go on her trip through no fault of her own. But travel insurance policies don't cover every scenario and I don't think there is any fair and reasonable basis to uphold this complaint.

Having considered the terms of the policy Mrs O had the benefit of, I don't think Aviva acted unfairly or unreasonably by declining her claim for the reasons set out above.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 9 January 2024.

Ankita Patel
Ombudsman