

The complaint

Mr and Mrs C complain Aviva Insurance Limited ("Aviva") unfairly declined a claim they made on their travel insurance policy.

What happened

Mr and Mrs C have worldwide travel insurance as a benefit with their bank account. The policy provides cover to them, for various pre-departure and post-departure risks.

In February 2023 they arranged a short stay at their property abroad for 20 May 2023. They booked their flights in March 2023.

Shortly before they were due to depart they were informed that seismic activity in the area had caused the boiler in the property to fall from an inside wall, rupturing the main supply pipes causing damage and flooding.

Mr and Mrs C say the house was uninhabitable owing to the damage and loss of water supply. So the booking had to be rescheduled for when the damage could be fully repaired and restored.

They were finally able to book a trip for June 2023. They made a claim for the flight cancellations and car park fee but it was rejected on the grounds that delays caused by repairs to appliances wasn't covered. Mr and Mrs C appealed the decision so Aviva looked at the claim again.

Aviva declined the claim on the basis the holiday property was owned by Mr and Mrs C – and their booking couldn't have existed. Mr and Mrs C appealed the decline again since there was nothing in the policy defining ownership, and the booking was made through the booking system of their agents.

Aviva looked into the claim again and asked for evidence of the booking and of the seismic activity which Mr and Mrs C say they provided. The claim was rejected on the basis travel for the trip hadn't commenced as per the terms of the policy.

Mr and Mrs C say Aviva acted unfairly by rejecting the claim. They say they've suffered financial loss due to the cancellation and rebooking of flights, together with the airport car park fee. They want Aviva to settle the claim either under the travel disruption term or the cancellation term. Because Mr and Mrs C weren't happy they complained to Aviva.

Aviva said it provides cover where cancelling the trip is unavoidable and is due to one of the specified reasons listed within the terms and conditions of the policy. Aviva said the trip wasn't cancelled initially, instead it was rescheduled for a later date. It said Mr and Mrs C did incur costs to reschedule for a later date but the policy doesn't provide cover for this.

Mr and Mrs C remained dissatisfied so referred their complaint to this service. One of our investigators looked into things for him. He said the terms of the policy confirm that cover begins once the insured has left their home to begin the trip. And he didn't think Aviva acted

unreasonably in declining it. The investigator said the insurance policy covered cancelled trips but Mr and Mrs C rearranged their trip, it wasn't cancelled.

Mr and Mrs C didn't agree. They said they were unable to travel on the original dates since their property abroad was uninhabitable. And so, even though they travelled at a later date, that trip was to arrange repairs to their property rather than the holiday they'd planned.

Because Mr and Mrs C didn't agree the complaint has come 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.

Having done so, I've decided not to uphold the complaint. I understand Mr and Mrs C will be disappointed by this so I'll explain why.

Travel insurance policies don't cover every eventuality. Insurers are allowed to decide what risks they are prepared to cover. For a claim to be successful the loss needs to have happened because of an insured event listed within the policy booklet. And there needs to be no exclusions that apply in the circumstances. If the loss isn't due to one of those listed events, or an exclusion applies, then the loss isn't covered.

The policy documents form part of the insurance contract and set out what is and isn't covered. So my starting point is the policy which sets out a list of circumstances covered under the section headed 'Type of claim.' It lists, "*cancelling your trip or coming home early, medical emergency, travel disruption, missed transport, delayed transport.*" The policy doesn't provide cover for any costs associated with rearranging a trip – regardless of the reasons for doing so.

Mr and Mrs C weren't able to go on their trip as planned due to their property abroad being uninhabitable. As a result they rescheduled their flights and accommodation booking for another date. And the remaining sections of the policy only become relevant when the insured has left home for the trip. Mr and Mrs C hadn't left for their trip so their situation isn't covered by the policy. So, I can't say Aviva were wrong to decline the claim on that basis.

Mr and Mrs C say their claim should be considered because the holiday they planned didn't go ahead, instead they spent the time getting their property abroad repaired. And so they say their holiday was cancelled. I've thought about this carefully, but I don't agree. Mr and Mrs C still travelled to the same destination albeit on a different date than originally planned; the policy doesn't cover circumstances where the trip wasn't cancelled or abandoned.

I do understand Mr and Mrs C's frustration at not being covered for their trip not going ahead as planned. When they became aware there were issues at the property and they would be unable to travel – I imagine would have been stressful. I can appreciate their disappointment when they learned it wasn't covered by their insurance.

But I am not able to compel Aviva to accept a claim that isn't covered under the terms. And, in declining the claim I can't say Aviva acted unfairly or outside the terms of the policy.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

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

accept or reject my decision before 5 February 2024.

Kiran Clair
Ombudsman