

## **The complaint**

Miss M is unhappy with what Aviva Insurance Limited did after she made a claim on her travel insurance policy.

## **What happened**

Miss M has travel insurance with Aviva provided as part of a packaged bank account. She (and her family) were due to fly abroad on 23 July from an airport some distance from where she lives. Miss M booked a train to take them there the day before. However, on 21 July she was told the train had been cancelled. Miss M says she didn't have a realistic alternative way of reaching the airport and cancelled the trip. She claimed on her policy for her irrecoverable accommodation costs.

Aviva asked for further information about the claim on 24 July which Miss M provided. The following day she spoke to an adviser who said the claim was unlikely to be covered but she would discuss with her manager and call her back. As Miss M hadn't received a call, she contacted Aviva on 26 July and was wrongly told her claim would be paid. Miss M was told the next day her claim wasn't in fact covered.

Unhappy with this she made a complaint. Aviva considered further information she provided about the reasons she was unable to reach the airport and agreed to settle the claim as a gesture of goodwill on 3 August. It also agreed to pay £100 in recognition of the impact on her of its customer service failings.

Our investigator agreed the claim wasn't covered and had been settled by Aviva as a gesture of goodwill. She didn't think the time taken to handle the claim was unreasonable. And she thought the further £100 in compensation it had offered was fair.

Miss M didn't agree. She said by the time Aviva agreed to cover the claim the cost of rebooking a trip had increased by £643. She said that wouldn't have been the case if the claim had been paid when she was first told it would be. She thought she was out of pocket as a result of what it got wrong. So I need to reach a final decision.

## **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.

The relevant rules and industry guidelines say Aviva has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably

I've considered the terms and conditions of Miss M's policy. I can see this does provide cover for unrecoverable travel and accommodation costs where a trip is cancelled for one of the reasons specified in the policy. That includes:

*"Delay or cancellation of your pre-booked transport prevents you from leaving the UK on your outward journey and the carrier or their handling agent is unable to provide suitable alternative travel arrangements within 12 hours of the date and time of the scheduled departure as shown on your ticket/itinerary"*

I don't think that applies here because I think the pre-booked transport covered by that section would be Miss M's outbound flight. And that wasn't cancelled; the issue was that Miss M says she couldn't reach the airport in order to catch it. I think the relevant section of cover here would in fact be 'Missed Departure' which says

*"If an unexpected transport delay, such as the vehicle you are travelling in breaking down, or the cancellation of scheduled public transport, means that you miss your pre-booked transport, we will pay for additional travel and accommodation costs you incur to reach your destination abroad, or home on your return journey. For each insured person, the most we will pay is £1,000".*

So the policy might have covered additional costs Miss M incurred in making alternative arrangements to reach her destination following the cancellation of her train. But it doesn't cover unrecoverable accommodation costs where someone doesn't travel at all. So I'm satisfied Aviva correctly turned down the claim Miss M made and the payment it subsequently agreed to make was a gesture of goodwill. As a result I don't agree with Miss M payment should have been made on 26 July. The decision to turn down the claim was correct; it was the information she was given in that call which was wrong.

Miss M says the cost of rebooking her trip increased from that date to when payment was made at the start of August. But even if her claim had been one the cancellation section of her policy covered it would only pay out for *"unrecoverable costs that each insured person has paid or legally has to pay for their own unused personal travel and accommodation"*. It doesn't cover the difference between those costs and any new trip the policyholder books.

In addition, I don't think any increased costs Miss M did have to pay came about because of something Aviva got wrong. In particular I can see she made her claim on 24 July and Aviva paid this as a gesture of goodwill on 3 August. I don't think nine working days is an unreasonable timescale for Aviva to consider and process a claim. It's unfortunate if the costs of Miss M's trip increased during this period but I don't think that's something Aviva is responsible for.

I would also add that while Miss M suggests she's suffered a loss of £643, I don't agree. Because her claim was paid despite it not being one that was actually covered by her policy, I think rather than being out of pocket she's actually received over £1,000 that she wasn't entitled to under a strict interpretation of the policy wording.

However, I do accept that there were some customer service failings by Aviva when handling the claim. In particular I agree Aviva wrongly told Miss M her claim would be paid on 26 July. But in considering whether the £100 Aviva has offered here is fair, I'm mindful of the fact Miss M had been told the day before her claim was unlikely to be covered and that was confirmed to her the day after. Taking everything into account I think the £100 Aviva has offered for customer service failings does enough to recognise the impact on Miss M of this and the other things it got wrong.

**My final decision**

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 22 December 2023.

James Park  
**Ombudsman**