

## **The complaint**

Mr and Mrs B have complained about the way Aviva Insurance Limited ('Aviva') has handled and settled their claim.

## **What happened**

Mr and Mrs B have a travel insurance policy, underwritten by Aviva.

They made a cancellation claim due to illness which Aviva accepted and paid. But Mr and Mrs B are unhappy that Aviva didn't cover all the costs they claimed including costs of vaccinations, medication, trip extension, a guidebook and insect repellent. They complained to Aviva and unhappy with its response, referred their complaint to the Financial Ombudsman Service.

Our investigator looked into the complaint but didn't think Aviva had incorrectly or unfairly settled the claim.

Mr and Mrs B disagreed and in summary, made the following comments:

- Costs which can't be claimed elsewhere and related to the specific trip are covered under the policy – this includes the vaccinations and medication which were purchased specifically for the cancelled trip, and cannot be recovered elsewhere
- It was a medical necessity under the policy terms to have the vaccinations and medication in order to be covered
- Trip extension is a specific cost of the holiday
- Aviva didn't handle the claim fairly and caused Mrs B to spend unnecessary time on the claim
- It should have applied the fair and reasonable test and considered each expense on its merit

And so the case has been passed to me for 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.

Having done so, I don't think this complaint should be upheld. I'll explain why.

- The relevant rules and industry guidelines say an insurer should handle claims promptly and fairly. And shouldn't unreasonably reject a claim.
- Under the cancellation section of the policy, it says the following is covered due to

illness: *“If you unavoidably have to cancel your trip or come home early, we will pay for the following: unrecoverable costs that each insured person has paid or legally has to pay for their own unused personal travel and accommodation (including pre-paid excursions and green fees); and/or Additional travel costs (if you cannot use your return ticket), and/or accommodation costs (of a similar standard you had booked for your trip) necessary to allow you to come home early. We will only consider claims for your costs which are unrecoverable from your travel and/or accommodation provider or agent, your debit/credit card company, PayPal, ABTA, ATOL (or similar organisation).”*

- Under general exclusions, the policy does not cover: *“Any loss that is not specifically described in the stated terms and conditions, e.g. we will not pay for loss of earning if you are unable to return to work due to illness or injury during your trip, or any payment which you would normally have made during your travels.”*
- Aviva covered flight and visa costs. But it said the trip extension, medication, vaccinations, insect repellent and guidebook weren't covered.
- Having carefully considered the terms, I don't think Aviva incorrectly settled the claim. The terms clearly explain personal travel and accommodation costs are covered. I've carefully considered Mr and Mrs B's comments and whilst I won't address every point they have made, I will focus on what I consider to be key to my decision.
- The trip extension had to be purchased in order for Mr and Mrs B to be covered for their trip. Without this, they would have been uninsured. They were able to make a claim on the basis of having valid insurance. And so I don't think this was an unused cost.
- The medication and vaccinations are not specific travel costs but Mr and Mrs B needed to have them, to have valid insurance. Additionally, these costs are not specified in the policy and so the general exclusion applies. Insect repellent and the guidebook are also not travel costs and also not specified as covered under the policy.
- So overall, I don't think Aviva's position is unfair or unreasonable as the additional costs Mr and Mrs B are claiming are not specifically travel costs. The policy does not cover all costs or all out of pocket expenses in the event of cancellation.
- Mr and Mrs B are also unhappy with the way Aviva dealt with the claim and specifically that Mrs B had to spend time dealing with the claim. Having considered the time it took Aviva to settle the claim, I don't think it was unreasonable. Mrs B sent her completed forms to Aviva on 23 January 2023 and Aviva paid the claim on 8 February 2023. This was just over two weeks which I don't think was an excessive amount of time.
- Mrs B did email Aviva as she was unhappy about the settlement and I can see that Aviva responded but maintained its position. It did however apologise for copying and pasting an email which it accepted wasn't helpful. So I don't think it needs to do anything further. Overall, I think Aviva handled the claim fairly and in line with the policy terms and conditions.

## **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 15 November 2023.

Shamaila Hussain  
**Ombudsman**