

The complaint

Mr O is unhappy with Aviva Insurance Limited's decision to only pay part of his claim.

What happened

Mr O has travel insurance with Aviva through his packaged bank account. He travelled to Nigeria on 23 June 2022 and returned to the UK on 12 July. He didn't travel directly to Nigeria. He had to take a connecting flight from Istanbul however he missed this because his outbound flight from the UK was delayed for approximately two hours. The airline arranged for another flight to take him to his final destination. Mr O didn't have to pay for this replacement flight.

Mr O's luggage was lost for seven days. He had to buy essential items, such as toiletries and clothes to replace those that were lost. Mr O said he had to travel to the airport every day to check whether his luggage had been found. He'd like the insurer to cover the taxi costs, as well as the cost of his replacement items. Mr O said he rescheduled another flight that he was due to take for his next planned destination. He did this as he was unsure whether the airline would find his luggage in time. However, it was found and returned to him before he was due to travel onward to his next planned destination.

Mr O said Aviva didn't tell him about the limit on his policy when he first made his claim, or that he could raise a claim through the airline. He said this cost him that opportunity because he exceeded the airline's time limit in which to bring his claim. He said the airline had a higher policy limit and so he could have potentially received back all his costs, instead, he only received £150 – which was the policy limit. Mr O also said he was inconvenienced because he had to go through the details of his claim twice as Aviva didn't record it correctly the first time around. Mr O wants Aviva to pay his claim in full.

Aviva said it paid Mr O's claim in accordance with its policy terms. It said the policy limit is £150 and that Mr O's claim exceeded the limit and so it won't pay anything more. It also said it wouldn't pay for any food costs, or for the rescheduled flight as his luggage was returned before he was due to travel. Aviva accepted its adviser should have discussed the policy limit sooner than it did and apologised for the inconvenience.

Our investigator partially upheld Mr O's complaint and said Aviva didn't have to pay his claim beyond the policy limit. She acknowledged it should have also told Mr O he could have discussed a claim with the airline, but that there was no guarantee the airline would have accepted it, or how much it would have paid. She also said Aviva should pay £100 compensation for the distress and inconvenience caused.

Aviva agreed to pay the compensation, but Mr O didn't think it was fair. He asked for an ombudsman to consider his complaint and so it's now for me to make 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.

I agree with our investigator's recommendation and therefore I'm partially upholding this complaint for the same reasons. Mr O's claim was accepted and paid by Aviva. I understand Mr O doesn't think this is fair because he incurred additional expenses, but I'm satisfied Aviva handled his claim in line with the policy terms. I'll explain why.

Mr O's luggage was lost temporarily and not indefinitely as it was returned to him after seven days. The policy terms say it will cover;

"The replacement of essential items that the insured person needs on the trip if their bags are temporarily lost by their transport provider on the outward journey and the transport provider can confirm the insured person was without them for more than 12 hours" and;

"If an insured person's bags are delayed for more than 12 hours on the outward journey – limit £150"

I've thought about how Aviva handled Mr O's claim and I'm satisfied it's done so in line with the policy terms. That's to say there's a limit applied to the policy and therefore it won't reimburse costs that exceed it. And so, whilst I accept Mr O's claim exceeded the limit, Aviva doesn't need to pay any more than £150 of his total claim. I think it would have been a better level of service had Mr O been told about the policy limit when he called to report his claim, but this information was readily available in the policy terms.

Mr O said had Aviva told him about the limit he'd have raised a complaint with the airline as it had offered a higher limit on claims. I understand the connection Mr O's attempting to make here but I don't find it persuasive in the circumstances. I say that because there's no guarantee his claim would have been accepted by the airline and I note his luggage wasn't irretrievably lost, rather, it was delayed for seven days. In any event, I think the £100 compensation award fairly reflects the level of distress and inconvenience caused by the poor level of service offered here.

I've thought about Mr O's argument that he rescheduled his planned flight to his next destination, but I'm not persuaded Aviva should cover those costs either. I say that because there's no cover for this type of event under this policy. I understand why Mr O did it as he wanted to wait for his luggage to arrive before travelling to his next destination. But it's not covered by his policy. It says there's only cover for the replacement of essential items and so I'm satisfied Aviva has handled that part of his claim fairly too.

I'm satisfied Mr O was inconvenienced when he called to give details of his claim in July. I note the first conversation he had wasn't correctly recorded by the adviser and so he had to go through the same information a second time, which I'm satisfied wouldn't have been necessary had Aviva handled the original call properly first time around. I think the £100 compensation awarded by our investigator fairly addresses this poor level of service as I consider this to be a fairly minor level of inconvenience and so I make no further award here.

My final decision

I'm partially upholding Mr O's complaint and Aviva Insurance Limited must pay him £100 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 10 April 2023.

Scott Slade
Ombudsman