

The complaint

Mr F is unhappy because Aviva Insurance Limited (Aviva) declined his claim on his travel insurance policy.

What happened

Mr F has a travel insurance policy alongside his bank current account. He has cover for himself and his family. The policy is underwritten by Aviva.

Mr F and his wife, Mrs F, travelled on their trip on 29 July 2022 and were due to return on 31 August 2022. Mrs F experienced pain in her stomach on 20 August 2022 and they went to see a doctor on 24 August 2022. They were advised that Mrs F had an ovarian cyst and based on this diagnosis, she underwent treatment. Mr F made a claim for the cost of the treatment abroad, but Aviva declined the claim as the trip was booked for more than the 31-day limit on the policy. Aviva said the trip had been booked for a 33-day duration and therefore the costs for what happened wasn't covered. Aviva confirmed that Mr F hadn't purchased a trip extension prior to going on their trip.

Unhappy with Aviva's response, Mr F brought his complaint to this service. Our investigator didn't uphold the complaint and concluded that Aviva hadn't treated Mr F unfairly and had declined the claim in line with the policy terms and conditions.

Mr F disagreed and asked for the complaint to be referred to an ombudsman. So, it was passed to me.

I issued a provisional decision on 14 February 2023. I said the following:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.'

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance for insurers in the 'Insurance: Conduct of Business Sourcebook' ('ICOBS').

ICOBS says that insurers should act honestly, fairly and professionally in accordance with the best interests of their customers, and that they should handle claims promptly and fairly and shouldn't unreasonably reject a claim. I've taken these into account when deciding what I think is fair and reasonable in the circumstances of this complaint.

The policy terms and conditions

I've started by looking at the terms and conditions of Mr F's policy with Aviva as this forms the basis of the insurance contract between both parties.

On page 17 of the policy booklet, 'Period of Insurance', it states 'Each trip taken whilst the Pack is in force will be treated as a separate period of insurance; individually subject to all policy terms, conditions, limitations and exclusions. Cover for each separate trip applies as follows

- *Cancellation cover begins from the date you purchase the Pack or the date of booking each separate trip (whichever is later) and ends when the insured person leaves home to start the trip*
- *Cover under all other sections begins when the insured person leaves home to start the trip and ends upon returning home providing that your trip does not exceed the trip limit of 31 days, unless you've purchased the extended trip duration upgrade (there's no cover for any part of any trip which is longer than the trip limit).'*

On page 33/34, 'Section 5 – General Exclusions' of the policy document, there is a list of general conditions and exclusions that apply to all sections of cover which states, amongst other things, that cover won't apply for:

Any claim for any part of any trip where the trip duration is longer than 31 days, unless you have purchased the trip extension cover upgrade.'

Has the claim been declined fairly?

There is no dispute that the trip Mr F booked was for longer than the 31-day maximum trip duration on the policy. Based on the above policy terms, there is no cover for claims where a trip duration is longer than this period, unless a trip extension upgrade was purchased.

Mr F didn't purchase this trip extension. So, based on a strict interpretation of the terms of the policy, there is no cover for any incidents that occurred during this trip.

I've carefully considered the situation and I don't think it would be fair and reasonable to decline this claim on that basis. I'll explain why.

Mr F said his wife started to experience pain on 20 August 2022 and went to see a doctor on 24 August 2022. Based on the diagnosis that she had an ovarian cyst, she underwent treatment. It's clear therefore that the incident which gave rise to the claim – Mrs F's medical condition – did occur within the maximum trip duration. So, I'm not persuaded that Aviva was disadvantaged by the fact that the original booked trip was longer than 31 days, for which Mr F didn't purchase an upgrade, as the incident occurred within the timeframe that it would normally provide cover. And I don't think it would be reasonable to exclude the claim based on a breach of such a policy condition when the cause of the claim isn't connected to that policy condition – in this case the maximum trip duration.

I note there is a further part on page 17 on the policy document which states:

'Extension of cover

If the insured person cannot get back to the UK before the trip limit ends, this insurance will remain in force

1.....

2. for as long as deemed medically necessary by us and in consultation with the insured person's treating doctor where the claim is for emergency medical treatment under this policy.'

I say this only to highlight a potential further reason that the claim has been declined unfairly.

Regardless of this further section of Mr F's policy, for the reasons I've provided above, I'm minded to think Mr F's claim has been declined unfairly and unreasonably.

Putting things right

Aviva should now consider what I've said above and settle Mr F's claim for medical expenses and related costs in line with the remaining terms and conditions of his travel policy.

Aviva should calculate the settlement amount from the date of the claim to the date of settlement and add 8% simple interest.'

Both parties responded to my provisional decision. Both parties have also accepted my provisional 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, as both Aviva and Mr F have accepted my provisional decision, I see no reason to depart from my findings. Taking everything into account, I'm satisfied, therefore, that Mr F's claim has been declined unfairly and unreasonably, in the circumstances of this complaint.

Putting things right

Aviva should now consider what I've said above and settle Mr F's claim for medical expenses and related costs in line with the remaining terms and conditions of his travel policy.

Aviva should calculate the settlement amount from the date of the claim to the date of settlement and add 8% simple interest.

My final decision

For the reasons given above, I uphold Mr F's complaint about Aviva Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 27 March 2023.

Nimisha Radia
Ombudsman