

The complaint

Mr C complains that Aviva Insurance Limited has unfairly declined his travel insurance claim.

What happened

Mr C has travel insurance through his bank account. This is insured with Aviva. He booked a package trip abroad which was for his son and himself.

On the date of departure, Mr C was meant to get a train to the airport, which was some distance away. Unfortunately, the train was cancelled and, despite travelling to the airport via another method, he arrived too late to board his flight and so he missed his departure. Mr C was unable to get new flights out that day and travelled a few days later.

Mr C made a claim to Aviva for the unused package trip. It refused his claim as it said the policy only provided cover for additional travel and accommodation costs to enable the insured person to reach their destination.

Unhappy with this outcome, Mr C complained to Aviva and brought the matter to this service. Our investigator considered the issue but found that there wasn't any cover for the unused trip under the missed transport section. She said that there was only cover for additional expenses, not for the costs to cancel or abandon the trip. So, she didn't think Aviva had acted unfairly in declining his claim.

Mr C disagreed with our investigator's outcome. As no agreement could be reached, the matter was passed to me to decide.

On 6 April 2023 I issued my provisional decision. In it 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 relevant rules and industry guidelines say that insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when deciding what I think is fair and reasonable in the circumstances of Mr C's complaint.

The policy terms and conditions

Mr C made a claim for the unused package trip costs after he missed his planned departure. Aviva has said the policy doesn't provide cover for unused costs under the missed transport section.

Aviva has referred to section D of the policy, titled 'Unexpected costs', when reaching its decision to refuse the claim. Within this section it says the following:

Missed transport

If the insured person misses their pre-booked transport because of an unexpected

transport delay, such as the vehicle they're travelling in breaking down, or public transport being delayed or cancelled, we'll pay for alternative travel and accommodation costs to enable the insured person to reach their destination.

The most we'll pay for

- *Missed transport is £5,000 per person*

All costs for alternative transport or accommodation must be of a similar standard to that which was originally booked.

Has the claim been declined fairly?

When looking at the section detailed above, I can see that there is cover available if you miss your pre-booked transport because of a transport delay, such as public transport being cancelled. However, the cover provided by this section is for alternative travel and accommodation costs only. So, I don't think that the cost for the original unused trip is covered by the policy - which means that Aviva was correct to decline this part of the claim.

However, Mr C has told us that, when he arrived at the airport, he attempted to find alternative flights but because of the time of year and the late notice, nothing was available. He was told to book the same package trip to the same destination, which he did, and he travelled out a few days later.

I've thought about this situation very carefully. The policy does provide cover under this section for alternative travel and accommodation costs to reach the destination. Mr C did have to pay additional travel costs in order to reach the same destination, albeit a few days later. Mr C has purchased a whole new package trip, some of which will relate to the cost of the new flights, to enable him to travel to his original booked destination. I'm persuaded that it is fair and reasonable for the cost of the new flights to be covered by this section of the policy.

I'm therefore of the opinion that Aviva needs to pay Mr C for the cost incurred in order to get to his destination a few days later. Aviva needs to reassess the claim and pay Mr C for the additional travel costs to enable him to reach his destination. Should there be any dispute over the settlement amount, this would need to be considered as a separate complaint."

Aviva responded to the provisional decision confirming it accepted the outcome and was happy to pay for the cost of new flights to enable Mr C to reach his destination.

Mr C also responded. He said that the policy clearly mentions that transportation and accommodation will be covered. As his package included car hire, which comes under transportation, and he lost the money for this too he feels the full claim should be paid.

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'd like to thank both parties for responding to the provisional decision.

In relation to Mr C's comments regarding the car hire, I provisionally directed Aviva to reassess the claim and pay for additional travel costs to reach Mr C's destination. Mr C hasn't provided any details of booked accommodation abroad and the package that he purchased was for flights and car hire only. This type of package normally allows individuals to travel around and make their own arrangements for accommodation as they go along, in

which case the destination would be the airport abroad. If Mr C did have accommodation pre-booked separately, he should provide this information to Aviva and it can then reassess the claim taking into account the additional travel costs to reach the destination for the accommodation, which may include some of the car hire costs.

Putting things right

Aviva needs to reassess the claim and pay Mr C for the additional travel costs to enable him to reach his destination.

My final decision

For the reasons stated above, I uphold this complaint.

Aviva Insurance Limited needs to put things right as detailed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 June 2023.

Jenny Giles
Ombudsman