

The complaint

Ms B is unhappy that Aviva Insurance Limited declined a claim she made under her travel insurance policy.

What happened

Ms B held a travel insurance policy through her packaged bank account. The policy provided cover for various pre-departure and post-departure risks.

Whilst holding the policy Ms B was due to go on a trip abroad, with her due to take a flight from the UK on 14 March 2023.

Ms B got to the airport as planned. But, at this stage realised she had lost her passport. As Ms B didn't have her passport, she wasn't able to board her flight – and the trip didn't go ahead.

Ms B said she tried to rearrange her holiday with both the trip provider and the airline. But this wasn't successful. It meant she lost around £4,000 – this being the cost of the holiday itself, and the relevant flights.

Given Ms B's loss, she made a claim under the travel insurance policy she held with Aviva. Aviva considered Ms B's claim and declined it. Aviva said this was because:

- Under the lost baggage and personal money section of the policy cover was only provided if the policyholder's passport was lost outside of the UK. It said as Ms B's policy was lost in the UK, this section therefore didn't provide any cover.
- The cancellation section of the policy provided cover where a trip didn't go ahead. But only in certain circumstances. It said that loss of a passport wasn't one of those circumstances. So, this section didn't provide cover either.

Ms B didn't think this was fair. She said that when she was at the airport she was suffering from challenges in relation to her mental health. Ms B said she had no memory of how she lost her passport, couldn't process what had happened, how to get the passport back, or get home. Ms B therefore felt the reason she couldn't travel was because she was poorly, and her claim should be settled as a result.

Aviva then told Ms B to provide some medical information, evidencing she wasn't fit to fly. But Ms B said when she then tried to give medical information to Aviva, it ignored this, and didn't change its mind.

As Ms B was unhappy with Aviva's position, she raised a complaint with it. Aviva responded and was satisfied it had dealt with Ms B's claim correctly.

As Ms B remained unhappy, she referred her complaint to this service to decide.

Our investigator considered this complaint. They thought that Aviva had acted fairly, and in line with the terms and conditions of the policy by declining Ms B's claim.

But the investigator said Aviva had asked Ms B for medical information, and when she supplied some, told her it didn't need it any longer. Our investigator considered this to be unfair, as Ms B had to pay £30 to obtain the medical information on its request. And this caused Ms B distress and inconvenience. So, they recommended that Aviva reimburse Ms B for the cost of gaining the medical information. As well as £200 compensation.

Aviva agreed with our investigator's outcome. Ms B didn't agree and remained of the opinion her claim for her lost holiday costs should be paid under her policy.

As Ms B didn't agree, this complaint has been referred to me to decide.

I issued a provisional decision to the parties. In this I said:

"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'm intending on upholding this complaint in part.

I do appreciate that Ms B is likely to be disappointed with my intended outcome. But I'd like to reassure the parties that I have considered all information submitted to me when arriving at my intended decision. However, when detailing my decision, I've only referred to that which is necessary to explain my reasoning. This isn't intended as a discourtesy – but reflects the informal nature of this service.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether Aviva acted in line with these requirements when it declined to settle Ms B's claim.

I've also reviewed Ms B's policy, to see what cover it provided. On doing so, I'm aware the relevant section of the policy would be the 'Cancelling your trip or coming home early' section – as this provides cover for irrecoverable travel and accommodations costs, where a policyholder can no longer go on their trip, or has to cut it short.

But, as is common in policies of this nature, for these costs to be covered, the reason for cancelling or cutting short the trip must be one of those reasons listed in the section as covered. If the reason for cancelling or cutting short the trip isn't listed, then the loss isn't covered, and the policy won't respond.

The section lists situations such as being injured or falling ill, being made redundant or adverse weather stopping you from leaving your home. I've considered whether any of the things listed here apply in Ms B's situation. But I'm satisfied they don't. The reason Ms B couldn't fly abroad was because she lost her passport. This isn't one of the reasons listed as covered in this section. So, I'm satisfied Aviva acted fairly in declining to settle Ms B's claim. It acted in line with the terms of the policy.

Ms B has said that she was taken ill – which is something this section provides cover for. And she's provided medical information she feels shows this to be the case. But having considered this, I don't agree this shows the reason Ms B couldn't continue travel was due to her falling ill.

Whilst I appreciate what Ms B has said about how she was feeling, before being due to travel, the doctor says Ms B lost her passport and suffered from an acute stress reaction

following loss of the passport. It doesn't suggest she was ill prior to losing the passport, or an illness was the reason she couldn't travel. So, I don't think Aviva did anything wrong by not settling the claim under this section.

I've reviewed all other areas of the insurance policy to see if any of those provide cover for the incident Ms B is claiming for. But I'm satisfied they don't provide cover for the situation Ms B found herself in. The section that provides cover for lost travel documents only applies when these are lost abroad, and not when in the UK. So, this section isn't relevant here.

Given the above, I'm satisfied Aviva acted fairly and reasonably in declining to settle Ms B's claim. It isn't covered by the policy terms.

I do however think Aviva could have provided a better service to Ms B. It told Ms B she could get some medical information, and it would consider this. But Ms B says when she later gathered medical information, she was told this wasn't needed.

Having looked at the claim notes provided to me; I can see this was the case. A claim note on 28 April 2023 says that the claims team shouldn't have requested medical information.

As Aviva has accepted it shouldn't have asked for this information, it follows it should reimburse Ms B for the cost she incurred to get the unnecessary medical documents. Ms B provided evidence to show the cost of this was £30, and Aviva has accepted it should reimburse this amount to Ms B.

Aviva has also agreed to pay Ms B £200 compensation. I've thought about this too – and am satisfied it's fair for Aviva to pay this to Ms B as well. I say this as I can see how being led to get medical documents, and then being told they shouldn't have been requested, would have been distressing and inconvenient for Ms B. It raised her expectations and led her to take actions she otherwise wouldn't have needed to do. I'm satisfied £200 fairly recognises that upset and inconvenience."

Neither party responded to my provisional decision with additional comments or evidence.

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've decided to uphold this complaint in part.

There hasn't been any further comments or evidence from either party, to alter my findings on this complaint, or the reasoning for it. And so, my decision remains the same as that in my provisional decision, and for the same reasons.

My final decision

Given the above, my final decision is that I require Aviva Insurance Limited to:

- Reimburse Ms B the £30 she paid to get medical information. Plus, eight per cent interest on this amount, from the date Ms B paid to gain the medical information, until the date of settlement, less any tax properly deductible. If HM Revenue & Customs requires Aviva to deduct tax from this interest, Aviva should give Ms B a certificate showing how much tax its deducted, if she asks for one.
- Pay Ms B £200 compensation for the distress and inconvenience caused, as noted

above.

I don't require Aviva Insurance Limited to do anything more than this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 27 November 2023.

Rachel Woods
Ombudsman