

The complaint

Mr and Mrs D complain that Aviva Insurance Limited has turned down a travel disruption claim they made on a travel insurance policy.

What happened

Mr and Mrs D hold travel insurance as a benefit of a packaged bank account.

In October 2024, Mr and Mrs D were on holiday abroad. Unfortunately, due to a leak in the apartment block they were staying in, the whole water supply had to be turned off. As Mr and Mrs D didn't have access to water, they booked and stayed in hotels for two nights until the leak was fixed. They made a travel disruption claim on the policy for the additional costs they'd incurred.

Aviva turned down Mr and Mrs D's claim. It said that the travel disruption section of the policy only covered specific, listed risks. And it didn't think a water leak within the apartment block Mr and Mrs D were staying in was covered by the policy terms.

Mr and Mrs D disagreed. In brief, they said they couldn't have remained in their pre-booked accommodation due to the lack of running water. So they felt the costs they'd incurred were unavoidable and should be covered by the contract. They asked us to look into their complaint.

Our investigator didn't think Mr and Mrs D's complaint should be upheld. She thought it had been fair for Aviva to conclude that the claim wasn't covered by the policy terms.

Mr and Mrs D disagreed. In summary, they said that while they accepted that their situation wasn't specifically covered by the policy terms, they didn't see how having no access to water – which is a basic necessity – wouldn't fall within the scope of travel disruption cover.

The complaint's been passed to me to decide.

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, whilst I'm very sorry to disappoint Mr and Mrs D, I don't think it was unfair for Aviva to turn down their claim and I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. I've taken those rules into account, together with other relevant considerations, such as regulatory principles, the policy terms and the circumstances of the claim, to decide whether I think Aviva handled this claim fairly.

I've first considered the policy terms and conditions, as these form the basis of the insurance contract. It's important I make it clear that we won't generally tell an insurer what risks it should and shouldn't cover. That's because the choice of which risks to insure is a

commercial decision for an insurer to make. However, insurers must set out the cover they provide in a clear, fair and not misleading way.

Mr and Mrs D made a claim under Section C – Unexpected Costs, which includes travel disruption cover. This section of the policy says Aviva will cover:

‘unexpected additional travel and accommodation costs to allow the insured person to continue their trip or to get home at the end of their trip, if their pre-paid travel plans are disrupted for the following reasons:

1. *the insured person is unable to reach their departure point or their pre-arranged accommodation due to a natural disaster, severe weather, fire, or explosion*
2. *a natural disaster, severe weather, fire, explosion or an outbreak of food poisoning means the insured person is unable to use their pre-booked accommodation*
3. *the insured person’s travel or accommodation provider becomes insolvent*
4. *the insured person’s pre-booked travel arrangements are cancelled or delayed for more than 12 hours from the time shown on their ticket or diverted after departure*
5. *the insured person is denied boarding because there are too many passengers and no alternative is available for more than 12 hours.’* (My emphasis added).

The contract also sets out a list of specific events Aviva has chosen to exclude from cover and which apply to all sections of the policy. One of those exclusions says that Aviva won’t cover:

‘any loss that is not specifically described in this policy.’

In my view, Aviva’s contract terms clearly set out the specific, insured events it’s chosen to cover under the travel disruption section of the policy. I can entirely understand why Mr and Mrs D felt they had no choice but to arrange alternative accommodation while their pre-booked accommodation had no access to water. But this simply isn’t something that Aviva has chosen to cover. Nor do I think I could fairly find that a water leak - in another part of the apartment block - which affected the overall water supply should be treated as akin to a natural disaster, fire or severe weather.

On that basis then, I don’t think it was unreasonable for Aviva to conclude that Mr and Mrs D’s additional accommodation and other costs weren’t incurred because of one of the events covered by the travel disruption section of the policy. Nor do I think there’s any other section of the contract which provides cover for their situation. So I don’t think there are any reasonable grounds upon which I could direct Aviva to pay their claim.

As I’ve said above, I entirely understand why Mr and Mrs D felt they needed to book accommodation while their pre-booked apartment had no water. And I appreciate they’re out of pocket as a result. But I need to decide whether it was fair for Aviva to conclude that those costs weren’t covered by the insurance contract. And for the reasons I’ve given, I’m persuaded it was. So overall, I don’t think it was unfair for Aviva to turn down Mr and Mrs D’s claim.

My final decision

For the reasons I’ve given above, my final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs D and Mr D to accept or reject my decision before 11 June 2025.

Lisa Barham
Ombudsman