DRN-5752186

The complaint

Mr and Mrs D and Miss D complain about Aviva Insurance Limited's handling of a claim against a travel insurance policy. Reference to Aviva includes its agents.

There's a separate complaint against the bank account provider about the provision of information in relation to the travel cover.

What happened

Mr and Mrs D and Miss D have the benefit of travel insurance underwritten by Aviva as part of a packaged bank account. Whilst on a trip, two of their suitcases were delayed on their outward journey, an item of clothing was lost and, on their return journey, the lock on one of their suitcases was broken. Mr and Mrs D and Miss D made a claim against the policy.

Aviva settled the parts of the claim in relation to the lost clothing and the broken lock but didn't settle the claim in relation to delayed baggage. It said the policy doesn't provide a fixed benefit for delayed baggage but does provide for reimbursement of the cost of essential items up to £150 per insured person. Aviva said Mr and Mrs D and Miss D hadn't provided any receipts for essential expenditure, so it didn't settle this part of the claim. It apologised for delays in its handling of the claim and offered compensation of £75.

Mr and Mrs D and Miss D didn't accept Aviva's offer and pursued their complaint. They say Aviva should pay £150 per person in relation to the delayed baggage claim and should pay more compensation than it has offered in relation to its handling of the claim.

One of our Investigators looked at what had happened. She didn't think Aviva had acted unfairly or unreasonably in declining the claim for delayed baggage. The Investigator said the policy doesn't provide a benefit of £150 per person for delayed baggage. Instead, it provides reimbursement of the cost of essential items if bags are temporarily lost for more than 12 hours on the outward journey. The Investigator said Mr and Mrs D and Miss D hadn't shown they purchased replacement essential items whilst they were without their baggage. The Investigator says Aviva accepted the claim took longer than it should. She said its offer of compensation of £75 in relation to that was fair and reasonable.

Mr and Mrs D and Miss D didn't agree with the Investigator. They said the policy provided to them says there's a benefit for delayed luggage. Mr and Mrs D and Miss D say Aviva can't unilaterally change the terms of cover. The Investigator considered the comments but didn't change her view. She said she'd considered the relevant terms and conditions.
Mr and Mrs D and Miss D asked that an Ombudsman consider their complaint, so it was 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.

I've taken into account the law, regulations and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say Aviva has a responsibility to handle claims promptly and fairly and must act to deliver good outcomes for retail consumers. I don't uphold this complaint and I'll explain why.

- Travel insurance isn't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. In general, and as long as consumers are treated fairly, insurers can decide which risks they wish to accept and the terms on which they're willing to do so.

- Aviva is the underwriter of the policy and is responsible for claims. In this complaint, I'm looking at whether Aviva acted fairly and reasonably in its handling of the claim and in its decision to decline the part of the claim in relation to delayed baggage.

- The relevant policy terms in place in this case provide as follows:
  '**E*. Your belongings***
  […]
  What we'll cover
  We'll also pay for
  i. 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
  […]
  The most we'll pay for
  […]
    - *Temporary loss of bags is £150 per person.'*

- The policy doesn't provide a fixed benefit of £150 per person for temporarily lost bags – that's the maximum Aviva will pay per person to reimburse the cost of replacing essential items when bags are temporarily lost. I don't think the policy wording is misleading.

- Mr and Mrs D and Miss D haven't provided Aviva with any evidence they replaced essential items when their bags were temporarily lost. So, I don't think Aviva acted unfairly or unreasonably in declining this part of the claim.

- Based on what I've seen from the extract of previous policy terms provided by the parties, there was no fixed benefit of £150 per insured person for delayed baggage in the earlier policy: the cover was for reimbursement of the cost of replacing essential items up to £150 per insured person. That doesn't alter the outcome here and I mention it for the sake of completeness. I'm satisfied Aviva considered the claim against the correct policy terms, which I've set out above.

- I've looked at the chronology of Aviva's handling of the claim. It's common ground the claim took longer than we'd expect it to take. Aviva has apologised for that and offered compensation of £75 in relation to service issues. I think that's fair and reasonable in this case. In reaching that view I've taken into account the nature, extent and duration of the distress and inconvenience caused by Aviva's delay in handling the claim. If Mr and Mrs D and Miss D wish to accept Aviva's offer, they should contact Aviva direct.

My final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr and Mrs D and Miss D to accept or reject my decision before 10 September 2025.

Louise Povey
Ombudsman