

The complaint

Mr and Mrs S complain about Aviva Insurance Limited's decline of their travel insurance claim. My references to Aviva include its agents.

As Mr S has taken the lead on the claim and complaint I'll refer to Mr S to include both complainants unless the facts require otherwise.

What happened

Mr and Mrs S have travel insurance through a bank account, insured by Aviva. They were due to fly abroad with their two young children to attend a family wedding. On 3 February 2024, the day before the trip, the airline told them their outbound flight had to be rescheduled which meant they would miss their connecting flight and miss the wedding. Mr S cancelled the existing flights, contacted Aviva to check the cover and bought new flights which were significantly more expensive but would get them to the wedding. On returning home Mr S claimed on the policy for the difference in the cost of the flights.

Aviva declined the claim. It said the 'Cancellation' section of the policy didn't cover the additional costs claimed. As Mr S and his family hadn't left home on the trip before the claim arose no other sections of the policy applied to the claim. Aviva reviewed the 3 February calls and said its representative had told Mr S it couldn't confirm cover for the additional expenses and he would have to make a claim for assessment. Aviva offered Mr S £50 compensation for his distress and inconvenience due to its delay in finalising its claim decision.

Mr and Mrs S complained to us. Mr S said:

- He'd spoken to Aviva twice on 3 February 2024 before he cancelled the original flights and booked alternative flights to check if the costs would be covered. Aviva told him there was cover for the extra costs.
- Aviva said the claim was agreed and he would receive payment in a week but then said it wouldn't pay.
- Aviva now told him it couldn't find the recordings of the 3 February calls.
- If Aviva had told them the additional cost wasn't covered they would have only bought tickets for Mrs S and the children to save the cost of Mr S' ticket.

Doing our investigation Aviva said its IT department now wasn't able to find the recordings of the two 3 February calls between it and Mr S. It provided the transcript of the second call. Our Investigator said Aviva had reasonably declined the claim and its offer of £50 compensation was a fair amount for Mr S' distress and inconvenience due to its delay in making its claim decision.

Mr and Mrs S disagree and want an Ombudsman's decision. In summary Mr S added:

- He called Aviva twice on the 3 February 2024 because he wanted to get the right information before making a big financial decision to pay for the new flights. Aviva's

representative said they would be covered which directly influenced their decision to rebook the flights at considerable personal cost.

- They're very disappointed that Aviva hadn't provided the original call recordings. The transcript is only for one call and doesn't show what Aviva told them, the tone and their emotions.
- £50 for his distress and inconvenience wasn't enough for his stress around the calls and emails he'd made to get Aviva's claim decision.

As there's been no agreement between the parties the complaint has been passed to me to decide.

Before I made my decision I asked Aviva if it had found the two calls of 3 February. Aviva said it had now been able to access the recordings of both calls and sent them to us. I arranged for the call recordings to be sent to Mr and Mrs S for their comments before I made a decision. Mr S provided comments which I'll refer to in my findings below.

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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably. I'm sorry to disappoint Mr and Mrs S but I think Aviva fairly and reasonably declined the claim. I'll explain why.

The policy says under the 'Period of insurance' heading:

'Cover for each separate trip applies as follows:

- *cancellation cover begins from the date you open the account 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 the trip does not exceed the trip limit of 31 days, unless you've purchased the trip duration upgrade...'*

That means the only policy section which could apply to this claim is the 'Cancellation' section. Mr S hadn't left home to start the trip when the cause of the claim - the airline telling him about the flight change - happened, so no other policy section cover had started.

The costs covered under the 'Cancellation' section of the policy are:

'Unrecoverable costs that each insured person has paid or legally has to pay for their own unused personal travel and accommodation, as well as unused pre-paid costs associated with the trip...'

If one of the insured events listed in the policy section occur which include:

'If the insured person or their travelling companion's:

3b. pre-booked travel arrangements on their outward journey from the UK are cancelled or delayed for more than 12 hours or diverted after departure, and the travel provider is unable to provide suitable alternative arrangements within 24 hours of the original departure'.

So the circumstances of Mr S' claim were covered under the 'Cancellation' section but the issue was whether the costs he claimed were covered under that section. Aviva reasonably checked if Mr S had pre-paid costs for accommodation he couldn't use and he said no. The airline refunded the unused flights costs to Mr S so Aviva didn't need to pay those costs.

There's no evidence that Mr S had any other unused pre-paid costs for the trip if he had cancelled.

The 'Cancellation' section of the policy doesn't cover the additional costs of the trip, which are the costs Mr S claimed.

As I've said, cover under the other policy sections hadn't started so don't apply to the claim. I'm satisfied that Aviva correctly said the policy didn't cover Mr S' claim and it declined the claim in line with the policy terms.

I also have to decide what's fair and reasonable in the circumstances of the complaint. Mr S says he called Aviva twice on 3 February 2024 to check about cover and he only rebooked for all the family to go on the trip because Aviva told him it would cover the additional costs.

I understand why Mr S was upset when Aviva couldn't find the calls, but it has now done so and I've listened to both calls and considered his comments on the calls. I'll briefly summarise the key points in the calls.

In the first call Mr S explained what had happened with the flights. He'd already cancelled the original flights and wanted to know about cover for new flights. Aviva's representative said they couldn't guarantee cover and Mr S should 'proceed on the assumption you are not covered'. Mr S said they would have to go as they couldn't miss the wedding. Aviva's representative said there were two sections of the policy that could potentially cover but they repeated that Mr S shouldn't do anything assuming he would be covered, when he got back he could claim and Aviva could go through the costs to see if it could pay anything. Mr S acknowledged what Aviva's representative said.

Mr S called back because he couldn't find any economy flights and he spoke to the same Aviva representative. Mr S handed the phone to Mrs S who said she knew it couldn't confirm if they were covered, but they were looking for reassurance if something would be covered. Aviva's representative went through the policy terms that he said could apply. Mrs S asked if Aviva would cover the difference in the flight costs, Aviva's representative said they couldn't guarantee cover. At the end of the call Aviva's representative repeated that Mr and Mrs S shouldn't do anything assuming they would be covered.

Mr S says the calls show Aviva gave them confusing advice, with caveats quickly thrown into the conversation, which led them to believe that certain clauses within the policy may cover them. They'd asked for clarity about cover in a highly stressed situation but the information Aviva gave was 'ambiguous and contradictory' and suggested cover would apply when they made the claim.

Having listened to the calls I can hear that Mr and Mrs S are understandably very stressed about the situation they found themselves in through no fault of their own. I agree that Aviva's representative said there might be two sections of the policy that might apply and they would have to assess to look if it could pay something when Mr S made the claim. But importantly Aviva's representative was very clear throughout both calls that Aviva couldn't guarantee cover and at least twice they gave Mr and Mrs S the strong message not to do anything assuming they would be covered.

I can't reasonably say Aviva disadvantaged Mr and Mrs S because from all that Aviva told them I don't think they could reasonably understand their additional flight costs would be covered. I'm satisfied that Aviva very clearly told them it couldn't guarantee cover and they should proceed on the basis that they weren't covered. Overall, I'm satisfied that Aviva fairly and reasonably declined the claim.

Mr and Mrs S have been upset and anxious about Aviva's decision to decline the claim but I only award compensation for distress and inconvenience when that's been caused by the unreasonable action of an insurer. I've explained above why I think Aviva acted reasonably in declining the claim so there's no basis for me to award compensation for their distress and inconvenience due to the declined claim.

I've also considered Aviva's service. It received the claim form in early March 2024. I haven't seen Aviva told Mr S the claim was covered but on 15 April it told him the claim wasn't covered by the policy terms. In response Mr S said Aviva had told him in the 3 February calls he would be covered and Aviva then took steps to try to find the calls. Mr S chased for a response and complained to Aviva around 24 April. It sent its final response letters about its claim decision and service on 22 May 2024.

Aviva accepts it delayed in making its claim decision, but I don't think the delay was wholly unreasonable. It was in contact with Mr S and it responded to his complaint in a fair timeframe. I think Aviva's offer of £50 compensation for Mr S' distress and inconvenience is a reasonable amount in the circumstances. If he now wishes to accept that offer he should contact Aviva direct.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 23 March 2026.

Nicola Sisk
Ombudsman