

The complaint

Ms H and Mr M have complained that their travel insurer, Aviva Insurance Limited ('Aviva'), rejected a claim they made after their cruise was cancelled.

What happened

Ms H has a travel insurance policy through her bank account which provides cover for her and her family which includes Mr M.

In April 2025, Ms H and Mr M were due to go on a cruise which was unfortunately cancelled by the provider at short notice. Ms H and Mr M and their family travelled to the country where their ship was due to sail from and arrived two days early in order to ensure they didn't miss the cruise. The day before the cruise was due to depart, and whilst they were abroad, they were informed the cruise was cancelled. Ms H and Mr M said they were unable to cancel their return flight, so they decided to stay in the country they were in and fly back on their pre-booked flight.

Ms H and Mr M then made a claim on their travel insurance policy with Aviva for the alternative accommodation, travel expenses and meal costs they incurred under the travel disruption section of their policy. They said they would not have incurred those expenses had their cruise not been cancelled.

Aviva reviewed the claim, but it didn't pay it because it said Ms H and Mr M had already had a full refund from the cruise provider which was more than the amount of their insurance claim. It said this meant they hadn't suffered a loss and that the refund they received covered those additional expenses. Aviva said, if it were to cover the additional expenses this would mean that Ms H and Mr M had a free holiday. It added that the policy didn't cover food expenses in any event.

Unhappy with Aviva's response, Ms H and Mr M brought their complaint to our service. They asked for Aviva to be directed to pay them £1,691.11 for their additional expenses. They added that their insurance cover should include the additional cost of meals as those would have been included had they gone on the cruise. They said Aviva is conflating two separate matters, the cruise refund for a service that wasn't delivered and the additional costs caused by the disruption.

The complaint was reviewed by one of our investigators who ultimately didn't think Aviva had to take further action.

Ms H and Mr M didn't agree and asked for an ombudsman's decision. In addition to paying their claim, they asked for Aviva to also pay them £600 compensation for the distress and

inconvenience it caused them in the way it handled the matter. The complaint was then 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.

Ms H and Mr M have raised a number of points in support of their complaint. I'd like to assure them that though I have considered all their complaint points and the evidence provided, including their final statement, I may not specifically refer to each one in my decision. Instead, I will focus on the issues I consider to be the most important. No discourtesy is intended by this. We aim for our decisions to be as concise and to the point as possible.

The policy

The policy says a "trip" means a journey that begins and ends in England.

Under the travel disruption section, the policy states that Aviva will cover unexpected additional travel and accommodation costs to allow the insured to continue their trip or to get home at the end of their trip if their pre-paid travel plans are disrupted for reasons which include the following:

The insured person's pre-booked travel arrangements being cancelled or delayed for more than 12 hours from the time shown on their ticket or diverted after departure.

The claim

Ms H and Mr M were away for 11 days. The cruise was meant to last seven days, and they had pre-booked flights and accommodation for the days before and after the cruise, which they were still able to use. When the cruise was cancelled, they stayed abroad until their return flight because they said changing it was prohibitively expensive and also because the flight and their pre-booked accommodation were non-refundable and non-changeable. They say they incurred extra costs for accommodation, meals, and clothing during the seven days the cruise was meant to take place.

Aviva declined the claim because Ms H and Mr M received a full refund of £2,308 from the cruise provider—more than the amount they claimed. Aviva says this means they didn't suffer a financial loss.

Ms H and Mr M are effectively claiming for the period when they weren't able to go on the cruise. As I said above, they were still able to use their pre-booked flights and accommodation which they would have stayed in in any event. So I wouldn't expect Aviva to compensate them for those expenses. But they are also claiming for the accommodation, travel and food they had to pay for as a result of not being able to go on the cruise; so over the seven days the cruise was meant to take place.

I've considered whether Aviva should cover the expenses Ms H and Mr M incurred, given they received a full refund for the cruise. In these circumstances, I don't think it has to. That

is because the policy is intended to indemnify the insured—to put them back in the position they were in before the loss, not to leave them better off. And this is what I think would happen if Aviva were to refund the costs Ms H and Mr M are claiming.

Under the policy, Aviva covers additional costs needed to continue the trip or return home when pre-booked travel plans are disrupted. This would typically apply if, for example, the cruise was delayed and they needed an extra night in a hotel or alternative transport to a different port, or if part of the cruise was non-refundable. But that wasn't the case here. Instead, Ms H and Mr M stayed abroad and had a different type of holiday than planned. They were still able to use their flights and pre-booked accommodation, but they had to make new arrangements for the days the cruise was meant to take place.

The expenses Ms H and Mr M claim for—accommodation and travel during those seven days—weren't additional to other costs because the cruise costs were refunded. So, they were their only costs. If Aviva paid these, it would effectively give them a free holiday, leaving them better off than if the cruise had gone ahead. That isn't the purpose of this part of the policy, which is to indemnify. Recovering these costs on top of the refund would put Ms H and Mr M in a better position than before the loss and that is because had Ms H and Mr M been able to go on the cruise, they would have been charged for it; it wouldn't have been free.

Ms H and Mr M say the policy should cover expenses such as food and their clothing expenses. These aren't covered under the policy and so I think Aviva has reasonably said it wouldn't pay them. In relation to the food, though I appreciate this was a pre-paid part of the cruise, this amount was refunded to Ms H and Mr M so I don't think they suffered any loss as they would have spent money on food regardless, whether this was pre-paid or not. And in relation to their clothing expenses though I appreciate this cost became necessary due to a change in the weather, I don't think this is something I can hold Aviva responsible for. Furthermore, I expect Ms H and Mr M have been able to wear those clothes again so those costs haven't been lost. I also note Ms H and Mr M had planned to spend four days in the specific city in any event and they may have had to purchase winter clothing regardless.

I appreciate Ms H and Mr M will be disappointed with my decision and I know they feel very strongly that Aviva should pay their claim and also compensation. I can understand how frustrated it must have been not to be able to go on their cruise and not to find out until that very late stage. But in the specific circumstances for the reasons I have given above, I don't think Aviva needs to take further action.

My final decision

For the reasons above I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H and Mr M to accept or reject my decision before 10 February 2026.

Anastasia Serdari
Ombudsman