

complaint

Mr and Mrs N complain that Aviva Insurance Limited turned down their travel insurance claim.

background

Mr and Mrs N have travel insurance with Aviva, linked to a bank account. In 2012 they'd booked a week in a holiday cottage in a different part of the UK, and were planning to drive there. Around a week before they were due to leave they'd asked the local dealership to look into a safety issue for their two-year old car. The dealership returned the car to them, saying it hadn't been able to reproduce the fault they'd experienced.

On the day they were due to leave, Mr N took the car out. He wasn't happy the safety issue had been fixed. He called the dealership. It said he and Mrs N shouldn't risk a trip in the car. Unfortunately the dealership didn't have a courtesy car for them as it was about to close for the Christmas break. As they needed their large family car to travel to their cottage, Mr and Mrs N cancelled the booking and lost over £300. They looked at their travel policy documents and were confident this situation would be covered. They also spoke to their bank, which said they should have a valid claim.

But Aviva turned down their claim. It said Mr and Mrs N's situation wasn't covered under either the cancellation or the abandonment sections of their policy. And it said as Mr N was over 70 he wasn't eligible for the travel insurance. They complained to us.

Our adjudicator explained that although the bank had sold the policy with its 'packaged' bank account, Aviva had 'underwritten' the insurance. So he would look at whether Aviva had fairly turned down their claim. The policy didn't cover the reason they'd had to cancel their holiday. So even if Mr N had been under 70 their claim still wouldn't have succeeded.

Mr and Mrs N didn't agree. They said, in summary:

- any arrangement between the bank and Aviva had no relevance. The bank had sold them a 'packaged' bank account, on the basis the comprehensive travel cover was identical to the cover they usually took with their house insurer. They'd not received any paperwork between taking the cover and making their claim. They'd had positive comments from the same bank staff about their cancellation claim.
- It was only at a late stage that the link between the packaged bank account and Aviva was revealed. They didn't know about this arrangement and consider the bank has an obligation to settle their claim based on the guarantees they were given by its staff. They point out there was a failing with both the travel insurance cover and the breakdown cover supplied with the packaged bank account.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We're dealing separately with Mr and Mrs N's complaint about their bank, which sold the packaged bank account. So this decision is confined to their complaint about Aviva.

I think Aviva did fairly turn down Mr and Mrs N's travel insurance claim. I'll explain why.

Mr and Mrs N cancelled their holiday before they left home for their trip. So the cancellation section of the policy applies here.

The 'cancellation' section of the policy covered unused accommodation costs if Mr and Mrs N had to cancel their holiday for one of a number of stated reasons. In summary, they were covered for these costs if:

- one of them (or a close relative, travelling companion or business associate) was seriously injured, fell ill or died
- they were called for jury service
- they were made redundant
- their home was damaged for a stated reason
- the police needed to talk to them about a burglary
- they were prevented from travelling, on the day they were due to leave, because of airspace closure or airport closure for more than 24 hours.

Mr and Mrs N couldn't travel because their car had safety issues. Understandably they were concerned about travelling in the car, as the dealership told them not to risk a trip. But Mr and Mrs N's reason for cancelling their holiday simply wasn't covered under their travel insurance policy's terms and conditions.

I've also looked at the 'abandonment' section of the policy, which applied 'whilst' they were away. As they say they'd not left for their trip, this section doesn't help them either. And the reasons they could claim for abandonment didn't cover their situation anyway, being similar to the cancellation reasons.

Unfortunately the 'delayed departure' and 'missed international departure' sections of the policy didn't cover holidays entirely within the UK.

I can look beyond the strict policy terms and conditions in deciding what's fair and reasonable in all the circumstances. But I don't think I can fairly make Aviva pay Mr and Mrs N's claim here, given their reason for cancelling was quite far removed from any of the cover the travel policy included.

I understand Mr and Mrs N say the travel insurance policy was mis-sold by their bank, which they say also falsely reassured them their claim would be covered. I don't make any findings about these issues here, in this complaint about Aviva. We'll contact them again shortly about their bank complaint.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs N to accept or reject my decision before 5 February 2016.

Amanda Maycock
ombudsman