

The complaint

Mr C and Ms Z complain about the way that Aviva Insurance Limited has settled a personal possessions claim they made on a travel insurance policy.

What happened

Mr C and Ms Z hold travel insurance as a benefit of a packaged bank account.

In 2023, Mr C and Ms Z's bag was stolen while they were abroad. The bag contained a drone and its controller; a camera and an additional lens. So they made a claim on their travel insurance policy.

Aviva didn't agree to settle the claim for the drone and its controller, as it said the contract terms specifically excluded cover for drones. It accepted the claim for the camera and lens. It applied a £650 single article limit to each item. And ultimately, it paid Mr C and Ms Z a total of £1300 for the two items.

Mr C and Ms Z were unhappy with the way Aviva had settled their claim. They said they'd been travelling as a family of four and the camera and lens belonged to all of them. They felt the policy indicated that Aviva would pay £650 per person per item. So they considered Aviva should pay a further £1300 to settle their claim, representing a payment of £650 to two further travelling family members. So they asked us to look into their complaint.

Our investigator didn't think Aviva had treated Mr C and Ms Z unfairly. She was satisfied it had settled the claim in line with the policy limits.

Mr C and Ms Z disagreed and so 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 sorry to disappoint Mr C and Ms Z, I think Aviva has settled their claim fairly 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. So I've considered, amongst other things, the terms of Mr C and Ms Z's policy and the available evidence, to decide whether I think Aviva treated Mr C and Ms Z fairly.

I've first considered the policy terms and conditions, as these form the basis of the contract between Mr C, Ms Z and Aviva. Section D sets out cover for a policyholder's belongings. It says that Aviva will provide cover if a policyholder's valuables are lost, stolen or accidentally damaged during their trip. The policy says:

'The most we'll pay for your items is £2500 per person. This includes limits of:

- £650 for any valuables, individual items or sets.'

This is in line with the policy limits set out in the Table of Benefits.

Aviva has defined what it means by valuables – and its definition includes photographic equipment. So I think it was fair for Aviva to treat Mr C and Ms Z's camera and additional lens as valuable items. In my view, the policy makes it clear that the maximum policy limit for total valuable items is £650.

I appreciate Mr C and Ms Z feel that as all four members of their family used the camera equipment, they should each be entitled to a settlement of £650 under the policy terms. But I don't agree. I've seen a copy of the receipt for the items and it appears they were ordered and likely paid for by Mr C. But Aviva agreed to treat the camera and the lens as separate claims – paying Mr C £650 in line with the valuables limit for the camera and paying Ms Z £650 for the lens, again, applying the valuables limit. In my view, this was a very fair response from Aviva. So I think Aviva has settled the claim fairly and in line with the applicable limits. And I don't think it would be fair for me to find that Aviva should make a further total payment of £1300 to Mr C and Ms Z's family members for the same items it's already settled, even if those family members do make use of the photographic equipment.

While Mr C and Ms Z haven't further commented on Aviva's decision to decline the claim for their drone, I've considered this point for completeness. I can see that the policy states that Aviva won't pay for drones. So I don't think it was unfair for Aviva to conclude that the drone wasn't covered by the policy terms.

Overall, I sympathise with Mr C and Ms Z's position, as I appreciate their stolen items cost significantly more than they've been paid. But as I find that Aviva has already settled their claim fairly, it follows that I'm not directing it to pay anything more.

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 Mr C and Ms Z to accept or reject my decision before 5 August 2024.

Lisa Barham
Ombudsman