

The complaint

Mr and Mrs S have complained that Aviva Insurance Limited declined a claim they made on a travel insurance policy linked to a bank account.

As it is Mr S leading on the complaint, I will mostly just be referring to him in this decision.

What happened

On 8 February 2024 Mr S contacted Aviva by phone to discuss the potential for making a claim if their daughter was unable to go on a planned school trip the following month. He explained that his daughter had had some recent health issues that were currently being investigated. He was told by the adviser that he'd be able to make a claim on the policy if the trip had to be cancelled.

Their daughter subsequently received a diagnosis for her condition and the school decided that it was unable to take her on the trip. Mr and Mrs S therefore made a claim on the policy for the unused costs.

Aviva declined the claim on the basis that the circumstances were not covered under the policy terms. However, it accepted that Mr S had been given the wrong information over the phone and so offered £100 compensation.

Our investigator thought that Aviva had acted reasonably in declining the claim, in line with the policy terms. She also thought that £100 compensation was fair compensation for the distress and inconvenience caused as a result of the error.

Mr S disagrees with the investigator's opinion and so the complaint has been passed to me for a decision.

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 carefully considered the obligations placed on Aviva by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Aviva to handle claims promptly and fairly, and to not unreasonably decline a claim.

I've also considered the Consumer Duty that businesses have been subject to since July 2023, in relation to firms having to deliver good outcomes for its retail clients.

Insurance policies aren'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. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

I've considered the terms of the policy Mr and Mrs S held, as this forms the basis of contract between the parties.

Looking at the terms, under '*Eligibility*', it states:

'Children are only covered when:

- *Travelling with you or your partner*
- *Travelling on their own to stay at the home of close relatives who live abroad.'*

Mr S's daughter was going on a school trip, so it's clear that she does not meet the eligibility criteria set out in the policy wording.

Mr S says he was under the impression that Aviva's phone advisers, as representatives of the company, provide a level of contractual power that the insurer needs to honour.

Aviva has accepted that he was misinformed over the phone. However, when an insurer makes a mistake, we wouldn't necessarily expect it to honour that mistake. The outcome depends on what would have happened had the mistake not occurred.

If things had happened as they should, Mr S would have understood that he would be unable to make a successful claim on the policy if his daughter's trip was cancelled. The question then is, how would he have acted on that information.

Mr S's daughter received a diagnosis on 10 February 2024. However, there was nothing within the consultant's report to suggest that she was unable to travel.

Mr S says that, had he been given the correct information by Aviva on 8 February, he could have cancelled the trip with sufficient notice to the travel agent so as to receive a 25% refund.

However, based on the available information, I'm not persuaded that Mr S would have cancelled the trip if he had been given the correct information on 8 February 2024.

Mr S didn't cancel the trip upon receipt of his daughter's diagnosis on 10 February 2024. In fact, he didn't cancel it at all. It was the school that decided that they were unable to let her go. It seems likely that Mr S didn't want to deprive his daughter of the opportunity if he thought there was a possibility she could go. However, the matter was taken out of his hands when the school stepped in to say she couldn't travel.

In an email dated 27 March 2024, Mr S tells Aviva that: *'The trip was organised by the school but through a third party travel agent (and there is a no refund policy as the school advised (daughter) was not permitted to travel within two weeks of departure – therefore we have no right to claim from them).*

Overall, I'm satisfied that Mr S is no worse off that he would have been had he been given the correct information on 8 February 2024. Because the trip would still only have been cancelled at the point that the school said his daughter couldn't go.

Of course, the sudden onset of his daughter's condition was outside of anyone's control, and it's unfortunate that the cost of the trip is not refundable. However, the question is, should Aviva be made to act outside of the policy terms to pay the claim, due to the misinformation provided on 8 February 2024. And, for the reasons set out above, I don't think it should.

Nevertheless, Mr S did have his expectations raised that any claim would likely be paid. But, overall, I'm satisfied that the offer of £100 from Aviva is an appropriate amount for the distress and inconvenience caused.

My final decision

For the reasons set out above, my decision is that I do not uphold the 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 2 October 2024.

Carole Clark
Ombudsman