

The complaint

Mrs H complains that AXA Insurance UK Plc haven't paid her claim for lost luggage when she claimed on her travel insurance policy.

What happened

Mrs H was returning home from a holiday abroad. When her plane landed back in the UK, she was told that her luggage had been put onto a different flight and would be delivered to her home address. Mrs H had three suitcases but only two were delivered back to her, so she claimed on her policy for the missing suitcase and contents.

AXA reviewed the claim and said they would need confirmation from the airline that the suitcase had been permanently lost. Mrs H tried to obtain this from the airline but unfortunately wasn't getting a response from them. AXA then contacted the airline but also didn't get a response so didn't pay Mrs H's claim. Mrs H complained to AXA about the claim not being paid. AXA said without confirmation from the airline the suitcase was lost they wouldn't pay her claim. Unhappy with AXA's response, she referred her complaint here.

Our investigator looked into the complaint and recommended it be upheld. She found Mrs H had provided her luggage claim reference, and also had an e-mail from the airline with a suitcase it thought might be hers but wasn't. Mrs H also provided evidence she'd tried to get the information AXA wanted but hadn't received a response. Because of this she recommended AXA pay Mrs H's claim as she thought it most likely the suitcase was permanently lost.

AXA accepted our investigator's recommendations and said they would settle Mrs H's claim. However, Mrs H hasn't heard anything from AXA since and they've also not responded to our investigator. Mrs H therefore asked for an ombudsman to decide her complaint.

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.

As AXA have agreed to settle Mrs H's claim I see no reason to revisit the reason they didn't settle it originally. AXA therefore need to pay Mrs H's claim, minus any applicable policy excess. AXA should also add 8% simple interest per year to this amount to compensate her for not having the money. This should be calculated from the date of claim until the date AXA make settlement.

However, I have considered the impact the delay in settling Miss H's claim has had.

Mrs H has said due to the length of time the claim has taken and not having her clothes has caused her unnecessary distress and inconvenience. Particularly as the UK had been experiencing good weather not long after her luggage was lost, and she didn't have her summer clothes to wear.

I can also see this claim has been ongoing for over two years, so I can appreciate this has been extremely inconvenient for Mrs H. She's also spent time chasing AXA to try and get her claim settled. Therefore, to compensate her for this unnecessary inconvenience AXA should pay her an additional £250 for the unnecessary delays in dealing with her claim.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint. I require AXA Insurance UK Plc to pay Mrs H's claim, minus any applicable policy excess. 8% simple interest per year needs to be added to what AXA Insurance Plc pay, calculated from the date of claim until the date its settled. AXA Insurance UK Plc also need to pay Mrs H £250 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 25 July 2022.

Alex Newman
Ombudsman