

The complaint

Miss K and Mr O complain that Great Lakes Insurance SE declined their travel insurance claim. My references to Great Lakes include its agents.

What happened

Miss K and Mr O had single trip travel insurance cover for a trip abroad, the insurer was Great Lakes. They returned to the UK on 29 September 2022. When they were getting off the plane Miss K and Mr O couldn't find Miss K's bag which they said they'd stowed away before landing.

Miss K and Mr O say on the same day, 29 September, she reported the lost bag to the lost property provider at the airport and contacted her local police to report the lost bag. Miss K says the lost property provider told her the bag hadn't been found so on 3 October 2022 she and Mr O claimed on the policy. The items in her lost/stolen bag included £400.

Great Lakes asked for various information from Miss K and Mr O to evidence the claim including a property irregularity report (PIR). Miss K provided a letter from the lost property provider dated 26 November 2022 which referred to her query about her lost bag on 22 November 2022. I'll refer to that letter as a PIR.

Great Lakes declined the claim. It said the claim wasn't covered by the policy terms as there was no evidence that Miss K and Mr O had reported the loss to the airline immediately or to the police with 24 hours of discovering the loss, as required by the policy terms. And Great Lakes said the £400 in the lost/stolen bag wasn't covered as the money wasn't on Miss K's person or in hand luggage that she had within her control, as the policy terms required.

Miss K and Mr O complained to us. In summary they said:

- Although the PIR was dated two months after the bag's loss Miss K had reported her lost bag to the lost property provider at the airport immediately. Great Lakes hadn't tried to contact the provider to see when the loss was reported. It wasn't feasible to report the loss and get a PIR within 24 hours of the loss as the policy terms required.
- The information they got from the police when they phoned 101, and from the local police website, said the police didn't provide a report for such lost property.
- Great Lakes hadn't given clear justification for declining the claim and had repeatedly asked for the same evidence to show Miss K had owned the items lost.
- They want Great Lakes to pay the claim.

Our investigator said Great Lakes had reasonably declined the claim. He recommended it pay Miss K and Mr O £75 compensation for their distress and inconvenience due to being asked for information which Great Lakes didn't need.

We received two responses from Great Lakes, one agreeing to pay the £75 compensation and one saying the compensation wasn't justified. Miss K and Mr O don't agree that Great Lakes reasonably declined the claim and want an ombudsman's decision. They added:

- The airline told them it only provides a PIR for checked luggage in the hold and any items lost within the cabin needs to be reported to the lost property provider that she'd contacted on the day of the loss.
- More information which they said showed their local police didn't provide a written report for their type of lost property.
- Hand luggage has to be stowed away at the plane's take-off and landing and they couldn't refuse the crew's guidance to put the bag away.

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.

The relevant regulator's rules say that insurers must handle claims promptly and fairly and they mustn't turn down claims unreasonably.

I think Great Lakes reasonably declined Miss K and Mr O's claim but it must pay £75 compensation for their distress and inconvenience due to its poor service. I'll explain why.

Great Lakes referred to the following policy terms I've detailed below to decline the claim. The policy provides cover for Miss K and Mr O's lost/stolen personal possessions, subject to the policy terms, and specifically excludes:

*'7 Any loss or theft of, or damage to, Your Personal Possessions:
a. that You do not report to the Police within 24 hours of discovery or as soon as possible after that and for which You do not get a written Police report; or
b. whilst in the custody of an airline or other carrier unless You report it immediately on discovery to the carrier and get a written report. In the case of an airline You will need a Property Irregularity Report (PIR).'*

The policy also provides cover for Miss K and Mr O's lost/stolen personal money, subject to the policy terms, and specifically excludes:

*5. Any loss or theft of Your Personal Money that You do not report to the Police within 24 hours of discovery or as soon as possible after that and for which You do not get a written Police report.
6. Any loss or theft of Your Personal Money that is not:
a. carried on Your person or in Your hand luggage which You have with You and within Your control such that You are able to prevent unauthorised interference with it at all times'.*

Additional conditions apply to the personal money section which include:

'2. You must notify the Police of any loss or theft within 24 hours of discovery or as soon as possible after that and obtained a written report from them and enclose this with Your claim form'.

So under the policy terms part of the evidence Miss K and Mr O need to provide for their claim for lost personal possessions is a written police report or if the loss is while in the custody of an airline evidence that they reported the loss to the airline immediately on discovery of the loss and get a PIR.

As Miss K's bag was lost/stolen on a plane I don't think the need for a police report is relevant, it's the evidence that they reported the loss to the airline immediately on discovery of the loss and the PIR that's important.

From the information Miss K and Mr O have provided, and my own checks, I think the loss property provider Miss K contacted, which provided the PIR, was the correct provider for lost hand luggage at the relevant airport. But the issue is that the PIR the provider sent to Miss K says it was:

'writing with regard to your lost property query received via email on 22 November 2022. You stated that you travelled on 29 September 2022 to (named airport) and that you lost your... (details of lost bag and items).'

I've seen the timeline of events Miss K and Mr O provided which says she contacted the lost property provider immediately. But the evidence from the PIR is that the provider received her lost property query by email on 22 November 2022, which is nearly two months after the date the bag and personal possessions were lost.

On the available evidence I think Great Lakes reasonably declined the claim for lost personal possessions as there's no evidence to support that Miss K did report the loss to the lost property provider immediately.

It may be that Miss K and Mr O can get evidence from the provider to show she did first contact it on 29 September 2022 and that its usual practice isn't to provide a PIR immediately on report of the loss. If so Miss K and Mr O should send the new evidence to Great Lakes to reassess the claim. It's for Miss K and Mr O to provide evidence to support their claim, rather than for Great Lakes to contact the provider.

I've seen what Miss K and Mr O say about not being able to get a police report but I think Great Lakes reasonably declined the claim for the loss/theft of the £400 in the bag, whether or not it was possible for them to get a police report. That's because the policy excludes the loss or theft of personal money that's not on their person, or in their hand luggage which they had within their control so that they were *'able to prevent unauthorised interference'*. The money wasn't on Miss K's person.

And even if the air crew had told Miss K and Mr O that the bag containing the money must be put in the locker I don't think the money was in Miss K and Mr O's control. They didn't see the bag being removed by someone else within the confined space of the plane, and if the bag had been close enough for them to be able to prevent unauthorised interference I think Great Lakes could reasonably consider that Miss K and Mr O would have seen the bag with the money being removed by someone else. If the bag had been put in a place where they couldn't see who had access to the bag the money wasn't in their control and they weren't able to prevent unauthorised interference.

Overall I'm satisfied that Great Lakes reasonably declined the claim.

I think Great Lakes should pay Miss K and Mr O compensation for the unfair way it handled their claim. Miss K and Mr O say they sent the PIR to Great Lakes on 5 December 2022, which Great Lakes hasn't disputed. However, through January 2023 it continued to ask Miss K and Mr O to provide photos and documents in support of their claim. Miss K and Mr O say they'd already sent the information asked for and anyway I think that by then Great Lakes already had enough information to reasonably decline the claim so it asked for the information unnecessarily.

Putting things right

I'm satisfied that the £75 compensation our investigator recommended Great Lakes pay to acknowledge Miss K and Mr O's distress and inconvenience due to its poor claim handling is a reasonable amount.

My final decision

I partly uphold this complaint and require Great Lakes Insurance SE to pay Miss K and Mr O £75 compensation for their distress and inconvenience due to its poor claim handling.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K and Mr O to accept or reject my decision before 13 December 2023.

Nicola Sisk
Ombudsman