

The complaint

Mrs S is unhappy with the way Zurich Insurance Company Limited handled a claim made on her travel insurance policy ('the policy') for lost baggage.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. I'll focus on giving the reasons for my 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.

Zurich has an obligation to handle insurance claims fairly and promptly. And it mustn't unreasonably decline a claim.

It isn't disputed that Mrs S made a claim on the policy for lost baggage in September 2024 and it took around four months for Zurich to approve the claim. In mid-January 2025, it said payment of £750 would be credited to Mrs S's bank account.

As she didn't receive that money, I can understand why Mrs S complained to Zurich.

In its final response letter dated March 2025, Zurich says the payment wasn't accepted by Mrs S's bank and bounced back. And upon investigation it said it would be arranging for Mrs S to be contacted to discuss the settlement of the claim.

Zurich accepts that no-one had contacted Mrs S to discuss what was happening before then and that her claim wasn't managed effectively. It apologised and offered Mrs S £85 compensation.

I'm persuaded that it would've been frustrating for Mrs S to wait a number of months to be told the claim was accepted and she would be receiving payment under the policy for £750. She was also put to the trouble of having to chase Zurich for updates after she didn't receive payment into her account.

Zurich has now said that it would be arranging for Mrs S to be contacted to discuss the settlement of her claim. I can understand why this would be frustrating for Mrs S, especially as she'd been told that payment was going to be made and she'd been expecting this – only to discover in the final response letter that Zurich wanted to discuss this further.

Overall, in the circumstances of this case, I'm satisfied £85 fairly reflects the impact on Mrs S up to the date of the final response letter.

Mrs S is also unhappy that since the final response was issued, Zurich has asked for her to attend a video interview to discuss new information it says it's become recently aware of. So that everyone is clear, I've only considered matters up to the date of Zurich's final response

letter dated 25 March 2025. So, I haven't considered this issue as part of the complaint I'm determining.

Zurich has said that if Mrs S is unhappy about anything that's happened after the date of the final response letter, she's free to raise those concerns with Zurich in the first instance and it will investigate them.

My final decision

Zurich Insurance Company Limited has already made an offer to pay Mrs S £85 compensation. I find this offer to be fair in all the circumstances.

So, my final decision is that Zurich Insurance Company Limited should pay £85 compensation to Mrs S for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 6 November 2025.

David Curtis-Johnson
Ombudsman