

The complaint

Ms F, Ms F and Mr W have complained that Zurich Insurance Company Ltd declined a claim they made on a travel insurance policy.

As Mr W is leading on the complaint, and the claim relates to his loss, for ease, I will just be referring to him in this decision.

What happened

Mr W was on holiday abroad with his family in July 2025 when he had a bag stolen from the beach, so he made a claim for the value of the missing items. Zurich declined the claim on the basis that the circumstances are not covered under the policy terms.

Our investigator thought that Zurich had acted reasonably in declining the claim, in line with the policy terms and conditions. Mr W disagrees 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 Zurich by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Zurich to handle claims promptly and fairly, and to not unreasonably decline a claim.

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.

Looking at the policy terms, under section 5 for 'Baggage, Personal Money, Travel Documents and Business Equipment, it states:

'What we will not cover

3. Valuables or personal money or travel documents or business equipment left unattended at any time (including in a vehicle or in the custody of carriers) unless deposited in a hotel safe or locked safety deposit box. If items are stolen from a hotel safe or safety deposit box, we will not pay for any claims where you have not reported the incident to the hotel in writing and obtained an official report from the appropriate local authority.

(.....)

15. Incidents of loss or theft of baggage or valuables or business equipment which are not reported to the local police within 24 hours of discovery and a written report is not obtained; a Holiday Representative's Report is not sufficient.'

The policy defines 'unattended' as:

'Where you are not in full view or in a position to prevent unauthorised taking or interference with your vehicle, baggage, valuables or winter sports equipment.'

When Mr W first contacted Zurich to register the claim, he stated: *'Left my bag on the beach and when I returned 25 minutes later it was gone, lost'*.

Based on the available information, Zurich quickly declined the claim. Its reasons for doing so were twofold – that he had left the bag unattended and that he hadn't obtained a police report.

In response, Mr W then said: *'My bag was left on a private beach in our hotel, I am recently disabled and it took me longer than usual to return from the toilet, upon my return my bag was gone, it's not at the hotel or been handed in so must of been stolen.'*

He subsequently added: *'Also it was NOT unattended , my daughters were there, but didn't notice anyone take the bag.'*

It is the case that the first version of events is usually the most accurate one. It's therefore reasonable that Zurich would apply the most weight to what is said during the initial notification of loss.

Whilst none of the above statements are directly contradictory, it is notable that the detail of his daughters' presence was only mentioned once the claim had been declined. Although I appreciate what Mr W has said about there being no change of story, it was just that being asked different questions led to him providing more detail.

That fact that his daughters didn't notice the bag being taken also suggests that it was left unattended, as defined by the policy terms.

Had Mr W obtained a police report of the theft, it is likely that it would have added clarity to what happened, as he would likely have had to make a more detailed statement, setting out a more in-depth version of events.

Mr W says the hotel manager called the police but they failed to show up, so he's asked what else he was supposed to do, especially as he was flying home the next day. Having a police report is a requirement of the policy terms. Although he's said he tried to get a report, I haven't seen any evidence of that being the case. He hasn't explained taking any steps in that regard, beyond alerting the hotel manager. In the country he was in, the police can be contacted by phone. And although he says he was in the middle of nowhere, he was at a tourist hotel and I'm not persuaded that it was so remote that it made contacting the police impossible.

I appreciate Mr W is frustrated that he is not being believed. However, the onus is on him to prove his loss. So, the question is whether he has provided sufficient evidence to support his claim and whether it is reasonable for Zurich to decline the claim based on the limited information he has provided.

I have a great deal of sympathy for his situation. He had a bag stolen which contained valuables, and he is out of pocket as a result. However, the matter at hand is whether the circumstances of the theft are covered under the policy terms – and unfortunately, based on the available evidence, they are not.

On balance. I'm satisfied it was reasonable for Zurich to decline the claim on the basis that the bag had been left unattended and that there was no police report of the incident.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F, Ms F and Mr W to accept or reject my decision before 3 March 2026.

Carole Clark
Ombudsman