Financial Ombudsman Service

complaint

Mr D complains that AXA Insurance UK Plc ("AXA") has declined a claim under his travel insurance policy for lost bags.

background

Mr D was on a short trip abroad. One evening he left some bags containing recent purchases behind in a coffee shop. When he realised this, he went back to get them but the bags had gone. He didn't report the loss to the local police and didn't get any other form of confirmation of his loss.

AXA initially said it would settle his claim but then told him that it wouldn't because he hadn't reported the loss to the local police. AXA has referred to the term of his policy which says that it's a condition of any claim that any loss has to be reported to the local police within 24 hours or as soon as possible after that, and a report obtained.

Mr D says that he was in a remote village. He lost his bags in the evening. The following day he had activities planned for the whole day, and the day after that he was scheduled to return to the UK in the morning. He says it would've been impossible to report the loss to the local police. He also says he didn't speak the local language. When he returned to the UK he contacted AXA straight away. He says he could've reported the loss to the UK police but wasn't told by AXA that reporting the loss to the police was required.

Our adjudicator didn't uphold Mr D's complaint because he hadn't obtained a police report and so his claim didn't fall within the policy's terms and conditions.

Mr D doesn't agree with the adjudicator's conclusion so the matter's been passed to me to make a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm not going to uphold Mr D's complaint and I'll explain why.

I've looked at the terms of Mr D's policy and it's clear that it's a condition to any claim that a report is made to the local police within 24 hours or as soon as possible after that. Mr D says that if he'd been informed correctly by AXA when he contacted them when back in the UK, he'd have reported the loss to the UK police. But that isn't what the policy requires. The report must be to the local police as they are the people best placed to investigate the loss and possibly to retrieve the lost or stolen items, and so minimising AXA's loss.
This requirement is a very common one in insurance policies and one which most people are aware of. Mr D says it was impossible for him to contact the local police because he had limited time and had a full day of activities planned for the next day.

Whilst I understand Mr D's predicament, I don't think it provides him with a sufficient reason for not doing what his policy requires him to do if he wants to make a claim. It's not unreasonable for AXA to impose such a requirement, and its one that's very common. He hasn't provided any evidence of any steps he took, such as trying to find a local police station or trying to contact the police by phone, possibly with the assistance of a local language speaker, obtaining a witness statement, or contacting AXA for advice.

In these circumstances I don't think that AXA is acting unfairly or unreasonably in declining Mr D's claim for his lost bags. It's acknowledged that he was initially given incorrect information, that calls he made to it weren't returned in good time, and that when he raised concerns, these weren't escalated. But it's paid him £100 compensation, which I think is an appropriate amount and in line with similar awards made by this service. So I'm not going to require AXA to do anything more.

my final decision

For the reasons given above, my decision is that I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 February 2016.

Nigel Bremner
ombudsman