

The complaint

Mr and Mrs S have complained that AWP P&C SA declined a claim they made on the annual travel insurance policy that was provided as part of a packaged bank account. They have also complained about the service they received during the claim.

As it is Mrs S making the complaint on behalf of both of them, I will mostly just be referring to Mrs S in this decision.

What happened

Mr and Mrs S were on a trip abroad in June 2023. On the final day they checked out of their room and left their luggage with hotel reception, who assured them it would be kept in a locked room. They then went out for about 70 minutes and returned to find that their cases were missing. They therefore made a claim for stolen baggage.

AWP declined the claim on the basis that the circumstances were not covered under the policy terms. However, it did uphold their complaint about poor service and delay, apologised and offered them £30 as a gesture of goodwill.

Our investigator thought that AWP had acted reasonably in declining the claim. Mrs S disagrees with the investigator's opinion 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 AWP by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for AWP to handle claims promptly and fairly, and to not unreasonably decline a claim. Looking at the policy terms, under the 'Baggage and baggage delay' section, the wording states:

'What is not covered?

Loss, theft of or damage to valuables left unattended at any time (including in a vehicle or the custody of carriers), unless deposited in a hotel safe, safety deposit box or left in your locked accommodation.'

Under 'Special Conditions relating to claims', it further states that a policyholder must:

'Take suitable precautions to secure the safety of your baggage (including valuables), and must not leave any items unsecured, unattended or beyond your reach at any time in a place to which the public have access'.

The definition of 'unattended' is:

'When you are not in full view of and not in a position to prevent unauthorised interference with your property or vehicle.'

AWP has relied on the above terms to decline the claim, as they have assessed that the luggage was left unsecured and unattended.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it is willing to cover and set these out in the terms and conditions of the policy document. The onus is on the consumer to show that the claim falls under one of the agreed areas of cover within the policy.

Mrs S has said that the wording is highly ambiguous. She did take care to ensure the luggage was being looked after as she received assurances from the receptionist that the bags would be locked away and that there was CCTV as an extra precaution. She says that any area can be a public area if someone has the desire to commit a crime and that it is impossible to keep luggage in full view.

Although Mrs S thinks the policy terms are unclear, I consider that they are clear, as they set out the specific events that are covered in the event of loss, theft of, or damage to baggage.

Mr and Mrs S left the bags behind a pillar in the reception area of the hotel. They were told by the receptionist that he would put them in a locked storage area, but they did not wait to see that happen before leaving the hotel. Mrs S says that, when they returned, they checked behind the pillar, and all through the foyer and reception area. The receptionist then checked the storage area.

There's no doubt that the luggage was stolen. This must have been extremely upsetting and stressful. And Mrs S has done all the right things to try and support her claim, including getting a police report, asking for the CCTV to be checked and providing a full list of contents. However, the question is whether the circumstances of the theft are covered under the policy terms – and I don't think they are.

The luggage wasn't left in their locked accommodation. And, based on the available evidence, I consider it was reasonable of AWP to conclude that they hadn't taken suitable precautions to secure the safety of their baggage. I do consider that the definition of 'unattended' has been met in this particular case.

Whilst I know it will be disappointing for Mrs S, I don't think that AWP has done anything wrong in the way it assessed the information to then decline the claim.

In terms of the service Mrs S received during the claim period, I can see she was led to believe that it would be resolved much sooner than it was. She also had other issues, such as not being able to use the claims portal to upload documents and being passed to different departments.

I've thought very carefully about what Mrs S has said about this. But, overall, I'm satisfied that the £30 offered by AWP is reasonable and proportionate compensation for the distress and inconvenience caused, so I'm not going to ask AWP to offer anything more.

The last information I have is that Mrs S hasn't yet received the payment, despite AWP saying they had sent it. So, I would expect AWP to look into why it hasn't yet arrived.

My final decision

For the reasons set out above, I do not uphold the complaint. But AWP P&C SA should ensure that the £30 compensation is received as soon as possible.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 10 January 2024.

Carole Clark
Ombudsman