

The complaint

Mr and Mrs J are unhappy with how AWP P&C SA settled a claim they made on their travel insurance policy.

What happened

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

The relevant rules and industry guidelines say that AWP has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

The policy terms and conditions set out the cover for damaged baggage. The terms say:

We will pay you up to £2,500 (in the event of point 1 above) to:

- Replace, reinstate or repair your baggage. Claims will be considered on a new for old basis provided the item is less than 2 years old at the date of the incident and you can provide the original purchase receipt. All other items will be subject to a suitable deduction for wear and tear and depreciation or we may at our option replace, reinstate or repair the lost, stolen or damaged baggage.

I'm satisfied that AWP has settled Mr and Mrs J's claim fairly and in line with the policy terms because:

- Mr and Mrs J say that they purchased the bag for £400 over ten years ago. So, as the item was over two years old, there was no requirement for AWP to replace it on a 'new for old' basis.
- AWP has applied a deduction for wear and tear in line with the policy terms.
- I don't think the deduction AWP has applied is unreasonable. I'm satisfied it's a fair and reasonable reduction, taking into account the age of the item.

My final decision

I'm not upholding this complaint.

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

Anna Wilshaw
Ombudsman