

The complaint

Mr N has complained that Chubb European Group SE has delayed in settling a claim he made on a travel insurance policy.

What happened

Mr N travelled abroad on 19 September 2022. Unfortunately, his luggage was lost by the airline and Mr N then made a claim to Chubb for loss of personal property.

Chubb has said that it doesn't yet have all the information it needs to assess the claim.

Our investigator thought that Chubb had acted fairly and reasonably in considering that it needed more information to progress the claim. Mr N disagrees with the investigator's opinion and so the claim 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 Chubb by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Chubb 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.

To be clear, Chubb has not declined the claim. Its position is that it requires more information to be able to make a decision about any settlement.

Looking at the policy terms, it states:

'General exclusions

5. Recoverable Expenses

Any expenses which are recoverable (whether successful or not) by You from:

i. any tour operator, travel provider, airline, hotel or other service provider under the terms of any contract or any relevant law or regulation;

or

ii. any compensation scheme.'

As has been explained to Mr N, the airline has a responsibility to reimburse him for the cost of lost luggage in the first instance. So, Chubb has been waiting for information about what settlement the airline has offered Mr N, if any, before it can fully consider the claim.

Although Mr N says that at no point did Chubb tell him he'd need to make a claim initially to the airline, I've seen a copy of an email that Chubb sent him on 18 April 2023 which asks him to provide a copy of the airline's settlement letter, explaining that this information is required as it is the airline's responsibility to reimburse passengers if baggage is lost by them (as per Montreal Convention).

Mr N says he has submitted proof that he did not receive any settlement from the airline, I can't see that that is the case. What Mr N has provided is an 'Attestation' from the airline confirming that the luggage has been declared as lost.

The airline's own website states that, if they are unable to locate luggage after 21 days, then the passenger is entitled to compensation. And there is a link to a claim form that can be completed.

It appears Mr N did start that process as I've seen correspondence between him and the airline where he has provided information and they have acknowledged receipt.

Mr N has provided a copy of an email from the airline dated 2 March 2023 in which it says:

'Upon investigation of your file, we find that your bag is insured, therefore, we have attached an Attestation of lost luggage for claim with your insurance company.'

Your Insurance Company will then further liaise with us regarding your case.'

I find this email to be highly unusual, as an airline would usually understand that it is responsible for dealing with compensation claims for lost luggage, regardless of whether a passenger has insurance or not. And the airline's website suggests that it has a standard process in place for dealing with such claims.

I've seen evidence that Chubb has tried to liaise with the airline directly about this matter, with little success. That appears to be partly because the airline doesn't want to release information to a third party.

As their client, it should be easier for Mr N to have a more meaningful discussion with the airline about the setting up and status of any settlement claim, and then to provide that information to Chubb.

I appreciate that Mr N says he has been unable to make contact with the airline. However, he has recently provided a copy of an email from the airline dated 14 March 2024 in which he is being asked for his bank details. So, it seems that the compensation claim with the airline might be finally progressing. But, as our investigator has mentioned, if Mr N continues to have problems with the airline, he could consider contacting the Civil Aviation Authority for assistance.

I can understand that Mr N feels he is being pushed back and forth between Chubb and the airline. However, I can't hold Chubb responsible for any delay and communication issues that he has faced from the airline.

Chubb's position is that it needs to know the final outcome of Mr N's lost luggage claim with the airline before it can then look at any claim on his travel insurance policy. I'm satisfied that this is a fair and reasonable approach.

Once Chubb is able to reach a decision about the claim, if Mr N is unhappy with the result, then he would be able to make a new complaint about that issue.

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 Mr N to accept or reject my decision before 3 May 2024.

Carole Clark

Ombudsman