

Before the Arbiter for Financial Services

Case ASF 151/2025

KJ

(‘Complainant’)

vs

Cowen Insurance Company Limited

(C 55905)

(‘Service Provider’ or ‘Cowen’)

Sitting of 31 December 2025

The Arbiter,

Having seen the complaint¹, whereby the Complainant seeks compensation amounting to €4,000 to cover the delay for settlement of his travel claim which he claims has caused him emotional distress (€1,000), lost experiences and activities (€1,000), 20 hours of correspondence (€1,500), and stress (€500).

The Complainant stated that he had a travel policy with XCover, underwritten by Cowen. On 2 December 2024, he was travelling with his family (wife and 5 children) and experienced a travel delay necessitating the purchase of essential items. He submitted a claim for €400 per person under the baggage delay benefit of the policy and supported this claim with receipts and justifications for €2,368.81.

Cowen settled the claim for €2,368.81 but framed it as a goodwill settlement claiming the policy covered up to €400 for each of the two lost bags so the policy should have covered a maximum of €800.

¹ Pages (P.) 1 - 8 and attachments p. 9 - 38

Reply²

In their Reply of 31 July 2025, Cowen stated:

“The policy is offered via Revolut, and the start date is 27th October 2024. The insured lodged a claim on December 3rd 2024, in relation to a luggage delay on his departure flight from Frankfurt Kazakhstan via Istanbul. As per the Property Irregularity Report, 2 bags were delayed. As per the client’s declaration, as he did not provide any supporting evidence, the luggage arrived on December 5th meaning 2 days after his arrival.

Based on the above, our intermediary have settled the maximum benefit under the luggage delay benefit of €400. [The Complainant] complained and advised that indeed 2 bags were delayed and therefore our intermediary issued another €400 payment 2 days after the initial payment.

[The Complainant] lodged another complaint with us, Cowen Insurance Company Ltd, stating that he should be covered €400 per person insured meaning him and his wife and 6 (5?) of his children. Based on this we advised our intermediary that, due to the nature of the case and since the communication from our intermediary to the insured could have been improved, we can be flexible and apply the benefit per member, only excluding his wife as she does not qualify as a ticket holder in our policy wording.

After going through the receipts the client sent for essential items, our intermediary deduc(t)ed that the expenses should amount to €2368.81, including the stroller. Therefore, another payment was made of €1568.81, since a payment of €800 had already been received by the client. This was done purely on an ex gratia basis and not following the policy wording, due to the circumstances of this claim and in order to assist the client.”³

They claimed that following settlement, he made an additional claim of €1,500 for emotional strain, disruptions and time he spent on his claim, but this was refused stating that within 9 days of submitting the claim, client received the maximum payable benefit under the policy (€800) and a further top-up ex gratia payment of €1568.81 after 3 months following further negotiations.

² P. 44 - 45 and attachments p. 46 - 70

³ P. 44

Hearings

During the first hearing held on 19 November 2025, Complainant confirmed on oath his complaint and stated he had nothing further to add. No cross-examination was held as Cowen failed to make presence, as indeed they failed to make presence again at the second hearing set for 16 December 2025 which was an opportunity to present their evidence.

The Arbiter decided to put this case for decision on the basis of the evidence provided.

Consideration and analysis

The Arbiter,

Having seen the statements made and evidence given by the Complainant,

Having seen the reply of the Service Provider,

Considers

The complaint mainly revolves around the Service Provider's contention that the policy cover in so far as 'baggage delay' was limited to €400 per baggage and not per person.⁴ They consequently paid the amount of €800 covered for 2 delayed bags quite rapidly but they only paid the rest of the claim after 3 months on an ex gratia basis explaining they were doing this:

***"due to the nature of the case and since the communication from our intermediary to the insured could have been improved."*⁵**

The Arbiter will not enter into the merits whether the policy cover limit of €400 for baggage delay was contractually applicable on a per person or a per bag basis. In the end, the full claim was settled even if Cowen contend that the top up over €800 was on an ex gratia basis.

However, the Arbiter considers the claim for distress and emotional damages as inappropriate and notes great inconsistency in escalating the claim value as follows:

- Unquantified amount in email of 12 December 2024⁶
- €1,500 as explained in Service Provider reply⁷

⁴ P. 48

⁵ P. 44

⁶ P. 9

⁷ P.44

- €3,000 in his email of 14 March 2025⁸
- €4,000 as included in his complaint to the OAFS.⁹

The claim was settled with due despatch for the amount which was uncontested. For the contested top-up, it was settled after 3 months which was not an unduly long time to process a claim where the wording in the policy cover could give rise to different interpretations.

Furthermore, whilst any insurance claim unavoidably involves the claimant in additional work and emotional stress until the claim is settled to his satisfaction, in this particular case, no evidence was presented to support the happening and the changing quantification of the expected compensation of extra work and emotional stress.

Decision

For reasons explained above, the Arbiter does not uphold this complaint and does not impose on the Service Provider any obligation to further reimburse the Complainant.

Each party is to bear its own costs of these proceedings.

Alfred Mifsud

Arbiter for Financial Services

Information Note related to the Arbiter's decision

Right of Appeal

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of

⁸ P.35 - 36

⁹ P. 5

article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act.