Rethinking Christmas Season Freight Strategy

What national transit claims data reveals about operational risk during the holiday volume surge.

Foreword

Every year the freight industry quietly delivers a Christmas miracle.

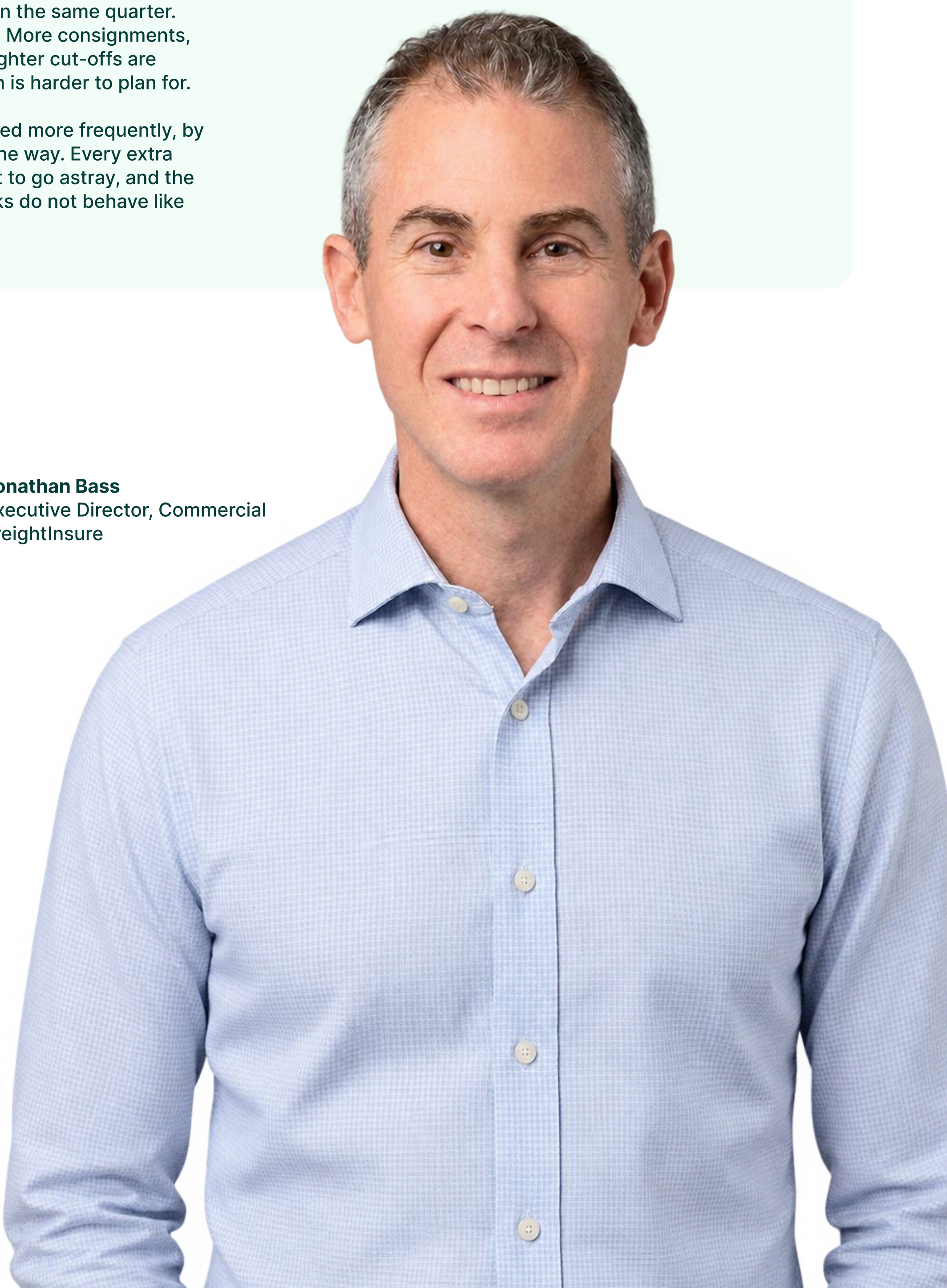
The holiday retail rush relies on our lanes and fulfilment centres to keep supply chains moving. But the season that defines retail success is also the hardest stretch of the freight calendar.

Black Friday opens it, Christmas deadlines drive it, and the end-of-year shutdown closes it, all in the same quarter. Volume is the part you can forecast. More consignments, more vans, more casual staff, and tighter cut-offs are standard preparation. The aftermath is harder to plan for.

During peak season, freight is handled more frequently, by more people, at more points along the way. Every extra touch is a chance for a consignment to go astray, and the claims generated during these weeks do not behave like claims from the rest of the year.

Most businesses only see their own freight. At FreightInsure, our cover sits inside booking systems right across the market, giving us a bird's eye view of the season that no single business has.

This paper sets out what two years of our transit claims data reveals about the peak season, and how you can protect your operations when the network is stretched to capacity.



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The anatomy of peak freight season

The final quarter of the year, from October to the end of December, compresses the majority of the retail calendar into a few short weeks. Black Friday and Cyber Monday open the period, Christmas trading drives it, and hard gift deadlines close it.

It is also the only part of the year where delivery dates are largely inflexible. Freight moving in most months can absorb a day’s delay, whereas freight dispatched in December is strictly committed to arriving before Christmas.

The logistics network carries this quarter at or near absolute capacity. Consignment volumes reach their peak, cut-offs tighten week by week, and casual workforces are scaled up to cover the load before much of the industry shuts down for the holidays. No other part of the calendar combines peak volume, a stretched network, and fixed deadlines within the same window.

This compression is clearly visible in the claims record. When we count claims against the month the freight was dispatched, rather than the month the claim was lodged, a distinct annual pattern emerges across both 2024 and 2025: a quiet first quarter, an average mid-year, and a sustained, sharp rise through October, November, and December.

30%

of annual claims fall in October, November, and December. A single quarter carries close to a third of the year's total claims.

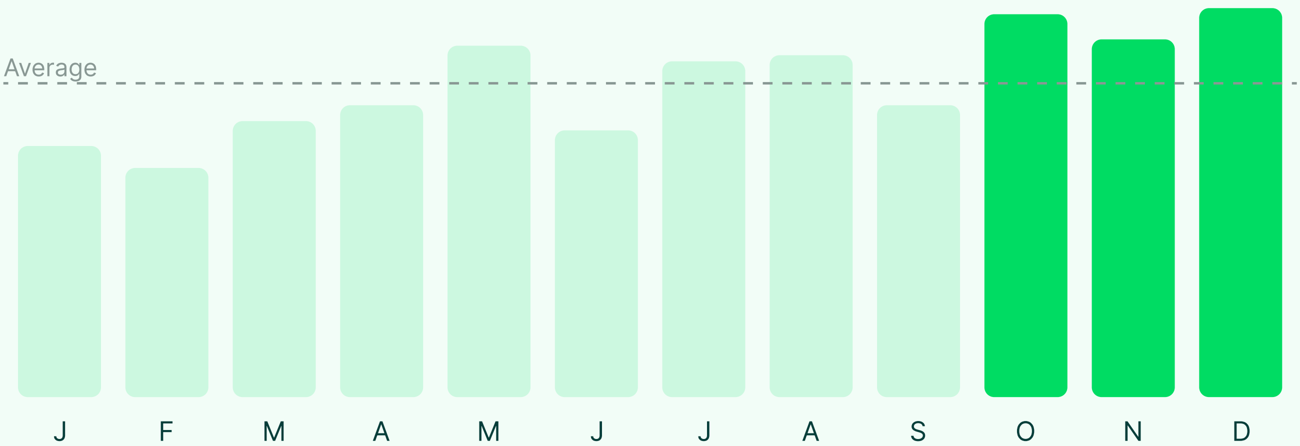
1.24x

an average month of claims lands in December, making it the highest volume month of the year. September, directly before the climb begins, sits at just 0.93x.

Relative monthly claims volume, by month of dispatch

Claims are allocated to the month of dispatch, rather than lodgement, to accurately reflect when incidents actually occur. The data shows that freight dispatched in Q4 produces a disproportionate volume of claims compared to the rest of the year, culminating in a December peak.

Crucially, this end-of-year spike is driven by frequency rather than severity. The median claim value in December is $472, which closely tracks the $499 median seen across the remaining eleven months. The volume crush dramatically increases the total number of claims, but the typical cost of an individual claim remains entirely unchanged.



The extra claims are lost freight, not damage

Transit claims fall into two distinct categories: freight that arrives damaged, and freight that never arrives at all.

Throughout most of the year, these two claim types follow a predictable baseline dominated by physical damage. During the fourth-quarter peak, however, they diverge sharply.

While damage claims in December sit at just 1.1x their normal monthly average, claims for lost freight surge to 2.2x their normal volume. This represents the largest shift recorded by any claim type at any point in the year.

This fundamentally alters your operational risk during Q4. Nearly seven out of ten extra claims generated during peak season (69%) are for consignments that completely vanish into thin air.

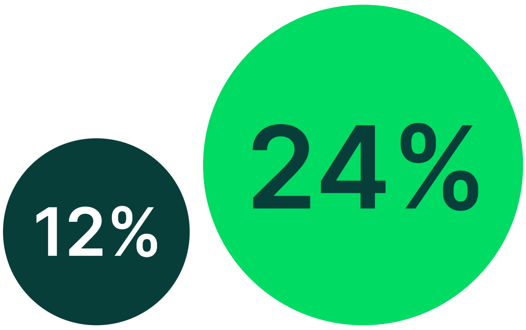
Crucially, this surge is not just a symptom of high freight volumes. Other busy mid-year periods, such as May, July, and August, also experience heavy volume, yet their loss share remains locked at the standard 12% baseline.

The December spike is a unique failure mode of the holiday peak. Overloaded depots, temporary casual staff, and hard Christmas deadlines create a specific operational strain: consignments are mislaid, misdirected, or forgotten at touchpoints.

As a result, lost freight doubles as a share of total claims, jumping from 12% across the rest of the year up to 24% in December. Peak season requires a completely different operational focus than a standard busy month.

69%

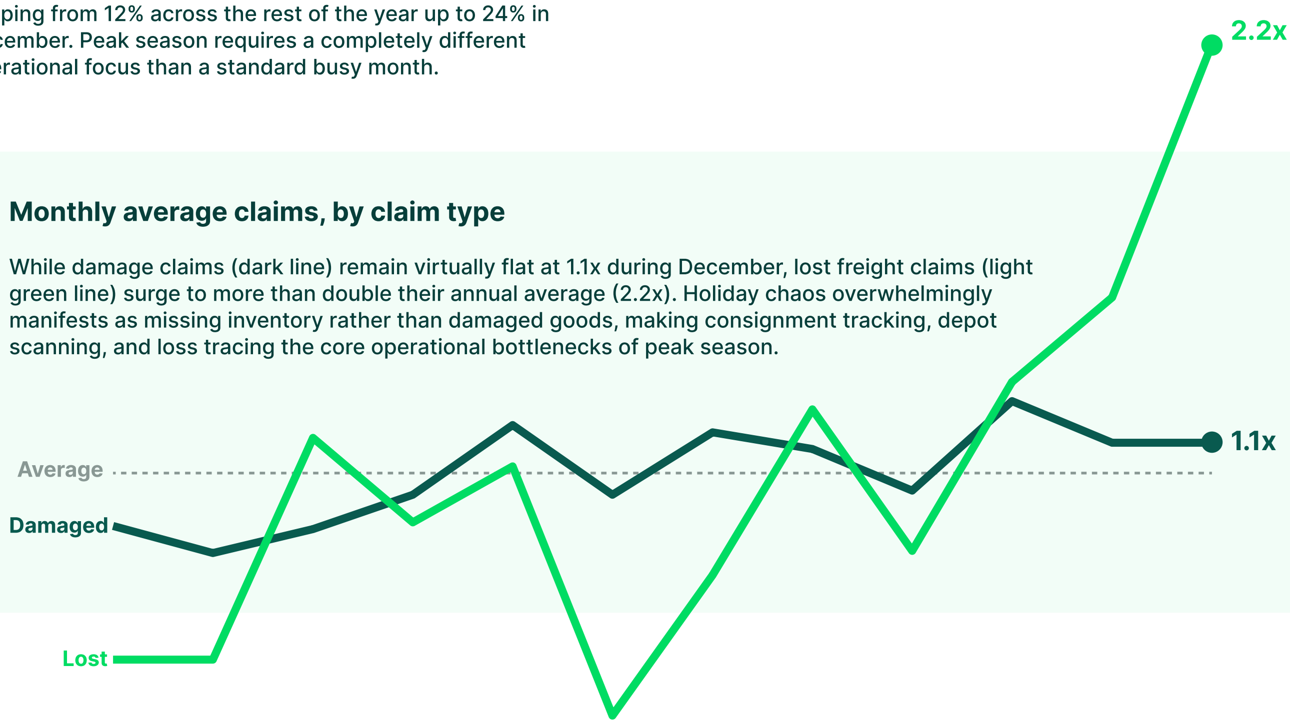
of all extra peak season claims are for missing freight, not broken goods.



The proportion of lost freight claims doubles in December compared to the rest of the year.

Monthly average claims, by claim type

While damage claims (dark line) remain virtually flat at 1.1x during December, lost freight claims (light green line) surge to more than double their annual average (2.2x). Holiday chaos overwhelmingly manifests as missing inventory rather than damaged goods, making consignment tracking, depot scanning, and loss tracing the core operational bottlenecks of peak season.



Lost freight surfaces slowly and lands after the peak

The two claim types differ not just in volume, but in how quickly they surface.

Damage is usually identified at the point of delivery. The fault is immediately visible, documented on the POD, and lodged quickly. Across our data, damage claims are submitted within a median of 7 days from dispatch.

A lost consignment takes much longer to establish. Receivers often wait several days before following up, and carriers must then run traces back through depots and scanning records before confirming a total loss. As a result, lost-freight claims are lodged at a median of 27 days after dispatch, nearly four times slower than damage claims.

In fact, 44% of all lost-freight claims arrive more than 30 days after the goods were moved, compared to just 12% for damage claims.

This delay creates a significant operational trap for transport operators. Because December is dominated by lost freight, the administrative wave of claims does not hit during the peak rush itself. It hits in January, right when businesses are short-staffed, returning from holiday closures, or clearing backlogs.

Unlike a damage claim where physical proof is established on day one, a lost consignment requires an extended investigation. Your team has to trace depots, audit scan logs, and manage anxious customers while trying to verify where a package went missing.

The holiday peak effectively concentrates slow, investigation-heavy administrative work into the precise window when your operation has the least capacity to handle it.

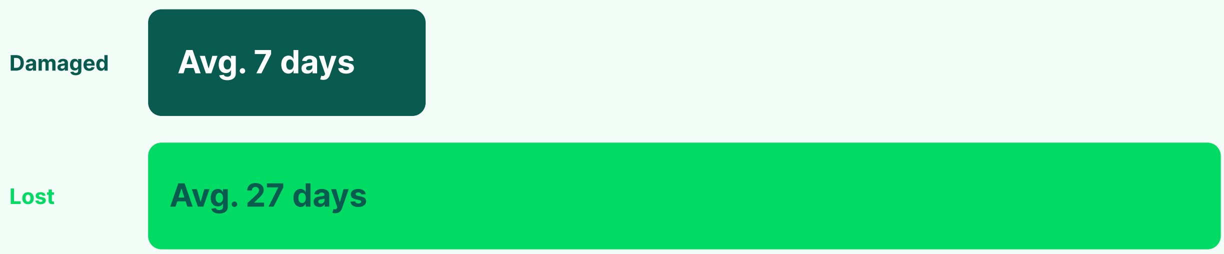
44%

of lost-freight claims arrive more than 30 days after dispatch.

Timeline from dispatch to claim lodgement

Damage claims surface rapidly because physical issues are documented at delivery. Lost freight creates an extended administrative tail: tracing delayed consignments pushes the median lodgement time out to nearly a full month after dispatch.

This proves that the true administrative impact of December freight loss is rarely felt in December. It surfaces in January, turning post-holiday recovery into a heavy operational bottleneck.



Our top 10 insights for peak season preparedness

1. Casual staff offboarding creates an information black hole

Carriers usually lay off temporary peak staff immediately after Christmas. However, with lost freight claims peaking 27 days post-dispatch, your team will be investigating missing consignments in mid-January when the exact casual workers who handled or mislaid those parcels are no longer around to ask.

2. Speed incentives actively cause the 2.2x lost freight spike

During peak, operators heavily incentivise speed and throughput to hit tight cut-offs. Casual staff quickly learn that skipping scanning protocols saves time in the short term, directly creating the "blind spots" where lost freight vanishes.

3. The "holiday patience" of receivers creates false confidence

Because receivers expect delays in December, they wait longer to report missing items than they would in July. This delayed feedback loop trickles back to carriers, giving management a false sense that December operations went smoothly, right up until the claims flood the inbox in January.

4. Lost freight damages reputation far more than broken freight

Damage is visible and easily understood by end customers ("it was dropped in transit"). Lost freight creates mystery, anxiety, and distrust ("did someone steal it?"). Because Q4 is dominated by losses, peak season carries a disproportionately high risk of permanent customer churn.

5. Mid-year volume spikes prove peak is an operational discipline problem, not a capacity problem

The data shows May and August run hot without a spike in the loss ratio (holding at 12%). This proves your network can handle high volume. The breakdown in December is caused by broken habits, rushed handovers, and untrained temporary labor, not just sheer parcel count.

6. Standard insurance excesses render traditional policies useless for peak

With the median December claim sitting at $472, traditional transport insurance policies with $500 or $1,000 excesses leave carriers footing 100% of the payout costs and 100% of the administrative tracing burden.

7. Undelivered freight becomes "lost" during the holiday shutdown

Freight that fails its initial delivery attempt in mid-December often gets pushed to a depot overflow corner. When the business shuts down for two weeks, those unmonitored overflow areas turn easily fixable re-deliveries into permanent lost-freight claims.

8. Q1 team burnout is heavily tied to Q4 claim tails

Customer service and depot staff return from their holiday break hoping for a quiet January, only to be hit with backlogged lost-freight investigations. This administrative bottleneck is a major, overlooked contributor to early-year staff turnover.

9. A simple "48-hour no scan" rule could prevent half your January claims

Since lost freight takes 27 days to lodge, setting up automated exception flags for any parcel that hasn't received a scan in 48 hours during December allows you to locate "lost" freight before the depot shuts down.

10. Packaging and labeling degradation scales exponentially at peak

In overcrowded depots, boxes are stacked higher and handled rougher. Damaged barcodes or dislodged shipping labels turn a slightly damaged box into an unidentifiable lost consignment, directly converting potential damage claims into total losses.

Key takeaways

The transit claims data highlights a fundamental shift in how transport operators should prepare for Q4. Managing the volume crush is no longer just about adding trucks and casual labor; it is about maintaining inventory visibility and managing the administrative aftermath. While carriers excel at forecasting physical throughput, the hidden operational risk lies in missed scan events, unmonitored depot overflow, and a delayed claims surge that lands when operations are least equipped to handle it.

Scan discipline matters more than total capacity

Mid-year volume peaks prove that transport networks can handle heavy throughput without increasing their loss ratios. The December spike in lost freight is not caused by sheer parcel count, but by broken operational discipline.

As temporary staff step in to hit tight delivery cut-offs, scanning compliance often takes a back seat. Every skipped scan creates an unmonitored touchpoint where a consignment can vanish.

Protecting operations requires enforcing strict scan-in and scan-out protocols across every depot, overflow hub, and temporary staging area.

Proactive tracking protects customer trust

Because receivers expect holiday delays, they often wait days before asking about missing packages. This creates a dangerous feedback loop where carriers assume operations are running smoothly while lost freight sits untraced in depot corners.

Implementing an automated alert for any parcel without a scan for 48 hours allows depot teams to locate misdirected freight before the holiday shutdown. Finding missing items proactively prevents a simple handling delay from turning into a total loss claim.

Peak strategy must extend into January

With lost freight claims arriving at a median of 27 days post-dispatch, the administrative workload hits precisely when depots return from holiday closures. Offboarding casual workers immediately after Christmas often leaves permanent staff without the floor context needed to trace missing items.

Operators need a two-phase peak plan: one that controls floor operations in December, and another that rosters administrative capacity into January to handle traces and clear the claim tail cleanly.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