

## **The complaint**

Mr and Ms W are unhappy because they don't think AWP P&C SA fairly settled a claim they made on their travel insurance policy.

## **What happened**

Mr and Ms W were on holiday when Ms W's purse was stolen. She claimed for cash, a gift card and two rings which she'd placed in the purse. She'd taken the rings off because it was very hot and they'd become tight.

AWP settled the claim by paying Mr and Ms W £317.18 for the cash, gift card and jewellery. Mr and Ms W didn't think that was fair given the value of the rings and what they'd cost to replace.

Our investigator looked into what happened and upheld the claim in part. He didn't think AWP had fairly calculated the settlement in relation to the cash stolen, so he recommended AWP pay a further £53.06 plus 8% simple interest from the date of settlement to the date of payment. However, he was satisfied that the claim for the jewellery had been settled in line with the policy terms.

AWP accepted the investigator's recommendation. Mr and Ms W asked an ombudsman to review their complaint. They highlighted that they'd taken out a gold policy which they were now being told wasn't sufficient to cover their stolen valuables. So, the complaint was passed to me to make 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'm very sorry to read of the circumstances of Mr and Ms W's claim. I have a lot of empathy with their situation, as Ms W has explained that the jewellery had a lot of sentimental value.

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 starting point is the policy terms and conditions. The policy covers lost or stolen baggage, which includes personal property taken on the holiday.

Section D of the policy says:

If your baggage is lost, damaged or stolen while you are on your trip, we will pay you, less available refunds and the applicable excess, the lesser of the following, up to the maximum benefit for 'Baggage' as shown in the 'cover summary' (high value items are subject to the overall maximum sublimit listed, as are unreceipted items).

Under the gold level of cover there is a high value items limit of £250. The definition of 'high value items' includes jewellery.

AWP has accepted the investigator's recommendation to pay a further £53.06 plus 8% simple interest. I agree that's fair and reasonable in the circumstances of this case. However, I don't think AWP needs to pay any further settlement towards the cost of the stolen rings because:

- AWP have settled the claim in line with the policy terms and conditions I've outlined above. There's a limit of £250 for high value items on the policy, which includes jewellery.
- I've considered whether it would be fair and reasonable to depart from the policy terms and conditions and direct AWP to step outside the limit of cover. I don't think it is. The level of cover is set out in the summary of cover and also in the specific term for baggage. It's for Mr and Ms W to ensure that they had sufficient cover for their high value items. Sadly, in this case, they didn't have sufficient cover for the items taken. If they feel that this wasn't made clear to them when they took out the policy they'll need to direct those concerns to the business responsible for the sale of the policy.
- I appreciate that Mr and Ms W purchased a 'gold' policy. But no insurance policy covers every eventuality. They also benefitted from enhanced cover under the gold standard of cover. For example, they weren't required to pay an excess when claiming for their losses which they would have needed to pay if they had the 'silver' level of cover.
- I can understand how upsetting it was that Ms W had to provide information to support her claim. That's standard industry practice as it's for Mr and Ms W to show that they have a valid claim under the policy. It's common to be asked to provide evidence such as pictures, particularly when there is limited evidence of purchase due to the passage of time. So, I don't think those requests were unreasonable.
- For the avoidance of doubt there's no dispute that Mr and Ms W were the victims of a crime. AWP has accepted that there is a valid claim under the policy and have settled it on the basis the items were stolen in the manner described. AWP also doesn't dispute what Mr and Ms W have said about the cost of the items or what it will cost to replace them. However, as I've outlined above, I'm satisfied that AWP has settled the claim in line with the policy terms and that it's not fair and reasonable to ask them to make a further payment.

### **Putting things right**

AWP needs to pay a further £53.06 to Mr and Ms W, if it hasn't done so already. They should also pay 8% simple interest per annum from the date of the original settlement to the date of payment.

If AWP considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Ms W how much it's taken off. It should also give Mr and Ms W a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs.

### **My final decision**

I'm partly upholding this complaint and direct AWP P&C SA to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Ms W to

accept or reject my decision before 26 February 2024.

Anna Wilshaw  
**Ombudsman**