

## The complaint

Ms M and Mr M complain about U K Insurance Limited (“UKI”) and the decision to decline the valuables aspect of the claim made on their home insurance policy. Ms M and Mr M also complain about the service provided by UKI around the claim, including steps taken to ensure the policy remained suitable for them.

Ms M has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made by either Ms M or Mr M as “Ms M” throughout the decision where appropriate.

## What happened

The claim and complaint circumstances are well known to both parties, so I don’t intend to list them chronologically in detail. But to summarise, Ms M and Mr M held a home insurance policy when their suitcase was lost following a flight in Europe. This suitcase contained items of significant value. So, they contacted UKI to make a claim under the personal possessions section of their home insurance policy.

UKI initially declined the claim. And after considering the value of Ms M’s claim, they undertook investigations to ensure the policy remained suitable, considering the policy limits. Ms M was unhappy about this, so she raised several complaints.

UKI responded to Ms M’s complaints and upheld them in part. They accepted the service provided to Ms M when reviewing the suitability of the policy fell below the standard they expected and so, paid Ms M and Mr M £300 to recognise the distress and inconvenience this caused. And while they ultimately agreed to pay in full the non-valuables lost in the suitcase, they thought they had acted fairly, and in line with the policy terms and conditions, when declining Ms M’s claim for her valuable items. Ms M remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They thought the £300 compensation UKI paid was a fair one to recognise the service failures that had been accepted. And, that UKI’s agreement to cover the non-valuable items in full was beyond what was required by the policy terms and conditions. They then set out why they felt UKI had acted fairly, and in line with our services approach, when declining to cover the valuable items, as they didn’t think these items were kept with Ms M and Mr M, or in a secure place, when they were lost. So, they didn’t think UKI needed to do anything more.

Ms M didn’t agree, providing extensive comments setting out why. Due to the informal nature of our service, I won’t be listing all of these in detail.

But these comments included, and are not limited to, Ms M’s continued belief that the term secure hadn’t been fairly defined. And that because of this, the terms and conditions didn’t make it reasonably clear these items wouldn’t be covered if transported in a locked suitcase. Ms M set out why she didn’t think she or Mr M had another way of transporting the items, considering the size of the box they were stored in and the hand luggage availability included with their flight ticket and so, she maintained UKI were unfair to decline the claim.

Our investigator considered all of the comments Ms M put forward. But their opinion remained unchanged. Ms M continued to disagree and so, the complaint 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.

Having done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

I've first focused my decision on the crux of Ms M's complaint, which centres around UKI's decision to decline her claim for the valuables lost in the suitcase. For me to say UKI should do something differently here, for example overturn their original claim decision, I'd first need to be satisfied they have done something wrong. So, I'd need to be satisfied UKI failed to act within the policy terms and conditions when declining this aspect of the claim. Or, if I think they did act within these, I'd need to be satisfied they acted unfairly in some other way. And in this situation, I don't think that's the case here and I'll explain why.

I think it's important to note Ms M is claiming on her home insurance policy and specifically, the additional personal possessions cover. This cover isn't intended to act as a replacement for a stand-alone travel insurance policy, nor would I expect it to.

I've carefully reviewed these terms and conditions. And I think it's made reasonably clear that, under the "*Overseas travel*" section, which covered Ms M's personal possessions for up to 60 days in one policy year outside of the British Isles, that Ms M and Mr M must "*either have the items with you or have left them in a secure place*". And I note UKI declined the claim stating they didn't think Ms M and Mr M met this condition. So, I've thought about whether I think UKI were fair to make this conclusion. And I think they were.

I note "secure" isn't defined within the policy itself. And while I recognise Ms M's feelings about this, I must make it clear that UKI aren't expected to define all terms within their policy documents. So, a lack of definition here doesn't automatically mean UKI acted unfairly.

In situations such as this, where a definition isn't provided, our services approach is to take an every day meaning of the term in question. And then alongside this, we think about additional considerations, already set out clearly by our investigator in their view and so, I don't intend to list them again.

Having done so, I don't think UKI have acted unfairly, or unreasonably, when deciding the valuable items weren't left in a secure place. This is because, while I note the suitcase itself was locked, the suitcase was checked in at the airport. So, it was taken from Ms M and Mr M's possession and then transported around a busy airport, being handled by several parties. And because of this, I think it was vulnerable to interference by other parties that Ms M and Mr M weren't able to then act to prevent any potential loss.

And while I recognise Ms M may disagree with this, I do think Ms M and Mr M had other options other than to place their belongings where they did. As most of the valuable items were pieces of jewellery, I think Ms M and Mr M had the option to keep these items on their person directly. Or, at the very least, I think Ms M and Mr M could've taken steps to keep these items in hand luggage, outside of the jewellery box if this box was deemed too big to fit. While I appreciate Ms M feels hand luggage wasn't included in their ticket, I think it's

reasonable to assume hand luggage could've been purchased additionally and considering the significant value of these items, I don't think this would've been an unrealistic expectation of UKI's.

Further to this, I note Ms M in her own words confirmed she "*inadvertently*" left the jewellery in her suitcase as this is where it was placed when they initially drove into Europe. I think it's reasonable for me to deduce from this wording that had Ms M realised, or remembered, that the jewellery was stored in the suitcase, that she would have taken action to secure these items in a more appropriate way.

So, because of the above, I think UKI acted within the policy terms and conditions when choosing to decline the claim. And from the evidence I've seen, I think UKI acted fairly by ensuring the decision they made was the right one, referring it internally to their underwriters to ensure the correct processes and interpretations were followed. Because of this, I won't be asking them to do anything more for this aspect of the complaint.

I recognise Ms M is unlikely to agree with this. And I want to reassure Ms M I have considered all of the comments she's made, even if I haven't commented on them specifically due to the informal nature of our service.

I also appreciate this then conflicts with UKI's other decision to pay out in full for the non-valuable items lost in the suitcase. But from what I can see, her policy does not separate valuable and non-valuable items under the policy section she claimed under. So, under a strict application of the policy terms and conditions, I think UKI were able to decline Ms M's claim in full and by choosing to settle part of Ms M's claim, UKI have acted more than fairly, beyond what our service would expect. That being said, as this offer has been made to Ms M, I would expect UKI to honour it and ensure payment for the non-valuable items is raised, if it hasn't been already.

I've then turned to the other aspect of Ms M's complaint, regarding the process she was taken through to ensure she wasn't underinsured. While our service would expect a business such as UKI to ensure any policy they offer is suitable for an individual customer's needs, I do think it's been accepted by UKI that they could've handed this process better.

UKI have accepted their communication through this process, and how long this process took, could've been improved. And to recognise the impact this caused Ms H and Mr H, they paid a compensatory payment of £300.

Having considered this payment, I think it is a fair one that falls in line with our services approach and what I would've directed, had it not already been paid. I think it fairly reflects the distress Ms M and Mr M would've felt when being told they could be underinsured, and how this may impact their ongoing and any future claims, considering what would have already been an upsetting time. And, how this was made worse by UKI's service failures, including their failure to follow up with confirmation correspondence.

But I think it also reflects the fact that UKI undertook this process to ensure Ms M had the correct level of cover for hers and Mr M's individual situation, which is what our service would expect to see. So, I don't think UKI need to do anything more on this occasion.

Again, I want to reiterate my understanding that this outcome is unlikely to be the one Ms M was hoping for. I don't doubt this would've been an upsetting experience that has ultimately left Ms M and Mr M out of pocket, considering the value of the valuable items they have lost and been unable to recover. But my role here is to decide whether UKI have acted fairly, in their role as the underwriter of Ms M and Mr M's home insurance policy. And in this situation, I think they have when declining the valuable aspect of the claim that was made, as well as

compensating Ms M and Mr M for their service failures.

**My final decision**

For the reasons outlined above, I don't uphold Ms M and Mr M's complaint about U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and Mr M to accept or reject my decision before 18 December 2024.

Josh Haskey  
**Ombudsman**