

## complaint

Mr M and Miss G complain that Europäische Reiseversicherung AG mishandled a claim on a travel insurance policy.

## background

Mr M and Miss G were in a part of the European Union. They left baggage in a parked hire car. Someone broke one of its windows and stole some of the baggage. Mr M and Miss G complained that the insurer ERV only paid part of their claim.

The adjudicator recommended that the complaint should be upheld in part. She didn't think that ERV had acted fairly and reasonably by refusing to take all of the consumers' items into consideration when assessing their claim. She recommended that ERV should:

1. settle the consumers' claim for all the items they've submitted to the insurer, subject to any applicable excesses and limits (disregarding the exclusion for "unattended valuables" and the limit for baggage left "unattended" in any motor vehicle);
2. add 8% interest on the further payment to the consumers calculated from the date of the claim, until the date of payment.

ERV disagrees with the adjudicator's opinion in part. It says, in summary, that the policy didn't cover all items left in an unattended motor vehicle.

## my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr M bought the policy online.

ERV hasn't provided any screenshots of the process he had to follow.

But Mr M provided us with the policy certificate. This shows that he chose (from a few other alternatives) the "gold" cover.

The policy certificate also records that Mr M paid about £25 extra to reduce the excess for damage on a hire car.

And he paid about £35 extra to cover the use of small motorcycles.

But the policy certificate records that he didn't pay extra to increase the limits on valuables or single articles.

From all of this, I find that Mr M knew that "gold" cover was characterised by the following limits on what the insurer would pay out:

Luggage	£2,000
Valuables	£400
Single items	£300

ERV relies on a policy document which – in addition to the limits mentioned above – contains the following exclusions and further limits:

*“We will not pay for:*

*...*

*9. items left Unattended in a Public Place.*

*...*

*13. more than £100 in total for personal effects stolen from an Unattended motor vehicle between the hours of 9.00 pm and 8.00 am or, if the theft occurs at any other time of day, unless the vehicle is being used for travel between different points of overnight accommodation.*

*14. Valuables left Unattended in any motor vehicle at any time (even if in the boot or concealed).*

*15. more than £500 in total for all items left Unattended in any motor vehicle.”*

These aren't unusual terms. But they are significant ones. So I've looked at whether the insurer did enough to draw them to the attention of Mr M when he bought the policy.

The quoted exclusions and limits weren't in the table of benefits. And they weren't in the “policy information”. That just includes the following:

*“Many claims for loss or theft are caused by people being careless with their belongings. If You do not take good care of Your belongings We may not pay Your claim. Not all belongings are covered by the policy...”*

That doesn't say anything about leaving luggage in unattended vehicles. And policy term 13 (quoted above) accepts that baggage may be covered while left in a vehicle – even overnight.

The exclusions and limits quoted above were on page 36 of the policy document.

Overall I'm not satisfied that ERV had done enough to draw to Mr M's attention the quoted exclusions or limitations.

When the thieves struck, Mr M and Miss G had gone off to see a visitor attraction. So I find that they had left the hire car unattended.

I don't doubt they were shocked to find a broken window and things missing.

They reported the theft to the local police. I make allowances for the language barrier. But the police report records the loss of two rucksacks. According to the report the black one contained clothes and jewellery belonging to Miss G. And the blue rucksack contained a laptop, a tablet, some dollars and “other items”.

I also accept that – by the time they got to their hotel later that day – Mr M and Miss G had an opportunity to properly assess what they'd lost.

ERV was the insurer responsible for dealing with claims. So where I refer to ERV or the insurer, I include its claims handlers for whose actions I hold ERV responsible.

Mr M rang the insurer. I've listened to that call. Mr M mentioned one suitcase bag containing Miss G's clothes, a laptop and some jewellery. He didn't say that the police report didn't record all the lost items.

From a second call recording, I note that Mr M was still talking about Miss M's luggage and her need to buy replacement clothes. Mr G said he'd found an email ERV had sent him on 22 May. He quoted details from the policy certificate. He said he couldn't open the attachment.

From a third call recording, I note that Mr M was asking how to provide evidence of the purchase of Miss G's clothes.

From a fourth call recording, I note that Mr M knew about the luggage limit of £2,000 and the limit of £400 applying to valuable electronic items. These limits aren't printed on the policy certificate. So I find it likely that he'd succeeded in opening the policy document attached to the email ERV had sent when he bought the policy. Mr G mentioned his laptop. He also mentioned items he hadn't mentioned before - portable speakers and a hard-drive.

I don't think ERV considered the detail of the claim as well as it should have. I think it just applied a £500 limit to the claim on the basis that the baggage was left "unattended" in a motor vehicle. I don't think that was fair. I say that because that significant policy limit hadn't been drawn to Mr M's attention when he bought the policy.

I think it's fair and reasonable that ERV should apply the policy limits of £2,000 on luggage, £400 on valuables and £300 on single items.

Overall I find it fair and reasonable to order ERV to settle the claims of Mr M and Miss G, without applying any exclusions or limitations about belongings left in an unattended vehicle.

### **my final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I order Europäische Reiseversicherung AG to:

1. settle the claims of Mr M and Miss G, without applying any exclusions or limitations about belongings left in an unattended vehicle, but otherwise in line with the terms of the policy;
2. add simple interest at a yearly rate of 8% on its further payment to Mr M or Miss G from the date of their claim until the date of further payment. If ERV considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr M and Miss G how much it's taken off. It should also give Mr M and Miss G a tax deduction certificate if they ask for one, so each of them can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss G to accept or reject my decision before 10 March 2017.

Christopher Gilbert

**ombudsman**